

BASE PROSPECTUS



INVESTEC BANK PLC

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

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

Under this £2,000,000,000 Impala Structured Notes Programme (the "**Programme**"), Investec Bank plc (the "**Issuer**") may from time to time issue notes (the "**Notes**"), including Notes that are linked to the performance of one or more Underlying Assets (as defined below). The Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer form, certificated registered form or uncertificated registered form (respectively "**Bearer Notes**", "**Registered Notes**" and "**Uncertificated Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement, as defined and described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to the Dealer specified below and any additional Dealer appointed under the Programme from time to time by the Issuer (each, a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

This Base Prospectus has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to Notes issued under the Programme during the period of twelve months after the date hereof. Applications have been made for such Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**"), which is a regulated market for the purpose of Directive 2004/39/EC on markets in financial instruments. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

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

Any person (an "**Investor**") intending to acquire or acquiring any securities from any person (an "**Offeror**") should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000, (the "**FSMA**") the Issuer may be responsible to the Investor for the Prospectus under section 90 of the FSMA only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public and, if so, the name of such person. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents, it should seek legal advice. When information relating to the relevant offer requested pursuant to the Prospectus Directive is not contained in this Base Prospectus or the relevant Final Terms, it will be the responsibility of the relevant Offeror at the time of such offer to provide the Investor with such information.

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

In addition, each Tranche (as defined under "**General Terms and Conditions of the Notes**") of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating(s) assigned to the Issuer generally. Any credit ratings assigned to a Tranche of Notes will be specified in the applicable Final Terms. Whether or not each credit rating in relation to relevant Tranche of Notes will be (1) issued by a credit rating agency which is established in the EU and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EU but endorsed by a CRA which is established in the EU and registered under the CRA Regulation, or (3) issued by a credit rating agency which is not established in the EU but which is certified under the CRA Regulation, or (4) issued by a credit rating agency which is not established in the EU and which is not certified under the CRA Regulation and whose rating of the Tranche of Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation, will be disclosed in the applicable Final Terms. **A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.**

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "**General Terms and Conditions of the Notes**") of Notes will be set out in final terms (the "**Final Terms**").

The Issuer may agree with the Dealer and Deutsche Trustee Company Limited (the "**Trustee**") that Notes may be issued in a form not contemplated by the General Terms and Conditions of the Notes herein, in which event a supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Investec Bank plc

Dealer

The date of this Base Prospectus is 21 June 2012.

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

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

None of the Dealers, the Agents or the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Agents or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. None of the Dealers, the Agents or the Trustee accept any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, the Dealers, the Agents or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers, the Agents or the Trustee.

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

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Agents and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Prospective investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

Where information relating to the terms of any offer of Notes that is required pursuant to the Prospectus Directive is not contained in this Base Prospectus, any supplement hereto or the applicable Final Terms, it will be the responsibility of the relevant Offeror (as defined above) at the time of such offer to make such information available to the Investor.

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

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in

such jurisdiction. The Issuer, the Dealers, the Agents and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers, the Agents or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in a jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Union (including the United Kingdom), Switzerland, the Channel Islands, the Isle of Man and South Africa (see "*Subscription and Sale*").

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purposes of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. For the purposes of this paragraph only, the expression "*Prospectus Directive*" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and the expression "*2010 PD Amending Directive*" means Directive 2010/73/EU.

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

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

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

HOW TO USE THIS DOCUMENT

Notes may be issued by the Issuer under this Programme. The Notes may include, among other things, Notes whose return is linked to:

- (1) interest rates ("**Rate-Linked Notes**");
- (2) currencies ("**FX-Linked Notes**");
- (3) the credit of one or more entities (and, where applicable, their performance in respect of certain debt obligations) ("**Credit-Linked Notes**");
- (4) one or more shares and other securities ("**Equity-Linked Notes**");
- (5) one or more indices, including indices managed by the Issuer ("**Index-Linked Notes**");
- (6) inflation rates ("**Inflation-Linked Notes**"); and
- (7) one or more commodities or commodities indices ("**Commodity-Linked Notes/Commodity Index-Linked Notes**").

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

All investors and prospective investors in **Rate-Linked Notes** should read the front cover, Part A and Part B of this Base Prospectus.

All investors and prospective investors in **FX-Linked Notes** should read the front cover, Part A and Part C of this Base Prospectus.

All investors and prospective investors in **Credit-Linked Notes** should read the front cover, Part A and Part D of this Base Prospectus.

All investors and prospective investors in **Equity-Linked Notes** or **Index-Linked Notes** should read the front cover, Part A and Part E of this Base Prospectus.

All investors and prospective investors in **Inflation-Linked Notes** should read the front cover, Part A and Part F of this Base Prospectus.

All investors and prospective investors in **Commodity-Linked Notes/Commodity Index-Linked Notes** should read the front cover, Part A and Part G of this Base Prospectus.

Notes may be issued under the Programme which are secured by security over a collateral pool (the "**Secured Notes**"). In respect of Series of Secured Notes only, the Issuer will create security over a Collateral Pool (as defined below) to secure its obligations in respect of the Secured Notes. Each Collateral Pool may secure one Series of Secured Notes only, or more than one Series of Secured Notes, as specified in the applicable Final Terms.

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

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

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PART A - GENERAL SUMMARY

This summary is an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in "Summary of Provisions relating to the Notes while in Global Form", "General Terms and Conditions of the Notes", "Additional Terms and Conditions of the Secured Notes" and the Terms set out in Parts B to G of this Base Prospectus below shall have the same meanings in this description.

Issuer: Investec Bank plc.

The Issuer was a private limited company with limited liability incorporated on 20 December 1950 under the Companies Act 1948 and registered in England and Wales under registered number 00489604 with the name Edward Bates & Sons Limited. Since then it has undergone changes of name, eventually re-registering under the Companies Act 1985 on 23 January 2009 as a public limited company and is now incorporated under the name Investec Bank plc. The Issuer is the main banking subsidiary of Investec plc, which is part of an international banking group with operations in three principal markets: the United Kingdom, Australia and South Africa.

As at 31 March 2011, the Issuer had total assets of GBP18,488,534,000 (GBP16,980,726,000 as at 31 March 2010). For the year ended 31 March 2011, the Issuer had GBP725,488,000 operating profit on total operating income before impairment losses and loans and advances of GBP170,554,000 (GBP 550,344,000 of operating profit on total operating income before impairment losses and loans and advances of GBP 133,186,000 for the year ended 31 March 2010).

The principal businesses of the Issuer include Wealth & Investment and Specialist Banking. For more information, see Registration Document incorporated by reference into this Base Prospectus.

Risk Factors: Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in the sections headed "*Risk Factors*" on pages 7 to 40 below and pages 4 to 16 of the Registration Document and include the following:

Factors affecting the Issuer's ability to meet its obligations. The Issuer's financial performance is subject to, *inter alia*, inherent risks concerning borrower credit quality, general UK and global economic conditions, general market fluctuations and operational risks.

Risks associated with Notes issued under the Programme. The Notes are complex financial instruments. In particular, an investment in the Notes involves a number of specific risks, which

may include fluctuations in the value of an underlying share, a basket of shares, an index, a basket of indices, rate(s) (including foreign exchange rate(s)), inflation, a commodity(ies) or commodity index/indices to which it is linked (the "**Underlying Assets**") as well as certain early redemption events, including events in respect of the Underlying Assets and disruptions of the hedging operations of the Issuer and/or its affiliates in respect of the Notes. If the Notes are redeemed early for any reason then they may pay out less than par or nothing. A change in the value or level of the Underlying Assets may not in all circumstances correlate with a similar change in value of the Notes. In addition, the Notes may also be linked to the credit of specified Reference Entity(ies) (e.g., a bank, corporation or government) and if such a Reference Entity were to suffer a credit event (such as insolvency), the Notes may pay out considerably less than par or nothing, and investors may lose some or all of their investment.

Risks related to the market generally. Notes may have no established secondary market when issued and one may never develop.

The value of Fixed Rate Notes and Zero Coupon Notes may be adversely affected by changes in market interest rates.

Investors with financial activities denominated principally in a currency other than the Specified Currency will be exposed to exchange rate risks.

Any credit rating assigned to the Notes may not reflect the potential risks related to the Notes. Potential investors should ensure that they have the legal capacity to invest in the Notes. A reduction in the Issuer's credit rating may result in a reduction in the trading value of the Notes.

Description:	£2,000,000,000 Impala Structured Notes Programme.
Dealer:	Investec Bank plc, and any other Dealers appointed in accordance with the Programme Agreement.
Programme Size:	Up to £2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the Programme Agreement.
Trustee:	Deutsche Trustee Company Limited.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements (see " <i>Subscription and Sale</i> ").
Principal Paying Agent:	Deutsche Bank AG, London Branch.
Registrar:	Registered Notes only: Deutsche Bank Luxembourg S.A.
CREST Registrar:	Uncertificated Registered Notes only: Computershare Investor Services plc.
Custodian/Verification Agent:	Secured Notes only: Deutsche Bank AG, London Branch.

Calculation Agent/Valuation Agent:	Secured Notes only: Investec Bank plc.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or a premium over, par.
Form of Notes:	<p>The applicable Final Terms will specify whether the relevant Notes will be issued in bearer form ("Bearer Notes"), in certificated registered form ("Registered Notes") or in uncertificated registered form ("Uncertificated Registered Notes") as described in "<i>Form of the Notes</i>". Registered Notes and Uncertificated Registered Notes will not be exchangeable for other forms of Notes and <i>vice versa</i>.</p> <p>Uncertificated Registered Notes will be held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001, as amended or restated from time to time (the "Regulations"). The Uncertificated Registered Notes will be participating securities for the purposes of the Regulations. Title to the Uncertificated Registered Notes will be recorded on the relevant Operator register of corporate securities (as defined in the Regulations) and the relevant "Operator" (as used in the Regulations) is CRESTCo. Limited ("CRESTCo") or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar and in accordance with the Regulations. Notes in definitive registered form will not be issued either upon issue or in exchange for Uncertificated Registered Notes.</p>
Fixed Rate Notes:	Fixed interest will be payable on such date(s) as may be agreed between the Issuer and the relevant Dealer, and on redemption. Interest will be calculated on the basis of such Day Count Fraction as may be specified in the applicable Final Terms.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the relevant Notes); or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) on such other basis as may be agreed between the Issuer and the relevant Dealer. <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>

Floating Rate Notes may also have a maximum and/or minimum interest rate.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be specified in the applicable Final Terms.

- Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.
- Zero Coupon Notes:** Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest (other than in the case of late payment).
- Rate-Linked Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Rate-Linked Notes will be calculated by reference to such rate and/or formula as may be specified in the applicable Final Terms.
- FX-Linked Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of FX-Linked Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.
- Credit-Linked Notes:** Payment (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Credit-Linked Notes will be based on the credit of a reference entity(ies) (and, where applicable, their performance in respect of a reference obligation(s)), on such terms, as may be specified in the applicable Final Terms.
- Equity-Linked Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Equity-Linked Notes will be calculated by reference to the value of a single share, a basket of shares or a combination thereof, as may be specified in the relevant Final Terms.
- Index-Linked Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index-Linked Notes will be calculated by reference to the value of an index, a basket of indices or a combination thereof, as may be specified in the relevant Final Terms.
- Inflation-Linked Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Inflation-Linked Notes will be based on such rates of inflation, as may be specified in the applicable Final Terms.
- Commodity-Linked Notes/Commodity Index-Linked Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Commodity-Linked Notes/Commodity Index-Linked Notes will be calculated by reference to the value of a commodity, a basket of commodities, a commodity index or a basket of indices or a combination thereof, as may be specified in the applicable Final Terms.
- Redemption:** The applicable Final Terms will indicate that the relevant Notes (i) cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default or, in the case of Credit-Linked Notes

or Secured Notes with a Collateral Credit-Linkage feature, following a Credit Event), or (ii) may be early redeemed automatically in certain circumstances, or (iii) may be early redeemed upon the occurrence of certain early redemption events, including events in respect of the Underlying Assets and disruptions of the hedging operations of the Issuer and/or its affiliates in respect of the Notes, or (iv) will be redeemable at the option of the Issuer or the Noteholders, as applicable, in whole or in part upon giving notice to the Noteholders or to the Issuer, as applicable, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms, as may be specified in the applicable Final Terms. See also "Security" below.

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions*" above.

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, subject as provided in Condition 7 (*Taxation*). If any such deduction is made, the Issuer will not, unless specified in the applicable Final Terms, be required to pay any additional amounts in respect of such withholding or deduction.

Status of the Notes:

The Notes will constitute direct, unconditional, unsubordinated and, unless the Final Terms specify that the Notes are Secured Notes, unsecured obligations of the Issuer that will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Issuer from time to time outstanding.

Security:

In respect of Series of Secured Notes only, the Issuer will create security over a Collateral Pool to secure its obligations in respect of the Secured Notes. Each Collateral Pool may secure one Series of Secured Notes only, or more than one Series of Secured Notes, as specified in the applicable Final Terms. The Secured Notes may or may not be issued with a Collateral Credit-Linkage feature, which exposes the Noteholders to the credit risk of a Collateral Reference Entity(ies). If Collateral Credit-Linkage is applicable, then, if a specified Collateral Reference Entity becomes insolvent (in the case of Secured Notes with Simplified Credit-Linkage) or suffers a credit event (in the case of Secured Notes with ISDA Credit-Linkage), the redemption amount payable to the Noteholders would be reduced accordingly and, if all Collateral Reference Entities become insolvent or suffer a credit event, the redemption amount may even be zero.

Listing and admission to trading:

This document has been approved by the FSA as a base prospectus in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. Application has also been made for the Notes to be admitted during the twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Clearing Systems:

CRESTCo or Euroclear and/or Clearstream, Luxembourg or any other clearing system, in each case as may be specified in the applicable Final Terms.

Governing Law:

The Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Union (including the United Kingdom), Switzerland, the Channel Islands, the Isle of Man and South Africa, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

Bearer Notes that have a maturity of more than one year will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "**registration required obligations**" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

RISK FACTORS

Prospective investors in the Notes should read the entire Base Prospectus including all documents incorporated by reference herein and where appropriate the Final Terms.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors described below and the "Risk Factors" section on pages 4 to 16 of the Registration Document dated 13 June 2012 represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons, which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including the documents incorporated by reference) and reach their own views prior to making any investment decision.

Factors material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the market generally

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

The secondary market generally

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

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

Exchange rate risks and exchange controls

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes and Zero Coupon Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes or Zero Coupon Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, the additional factors discussed above or other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Credit ratings of Issuer

The value of the Notes may be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the Issuer's outstanding securities by standard statistical rating services, such as Moody's Investors Service Inc., Standard & Poor's (a division of the McGraw-Hill Companies, Inc) and Fitch Ratings Limited. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer, by one of these rating agencies could result in a reduction in the trading value of the Notes.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes, or (ii) determine that any Event of Default or potential Event of Default shall not be treated as such, or (iii) agree to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error, or (iv) make modifications to any of the provisions of the Notes or the Trust Deed and any other relevant documents to maintain and/or improve credit ratings of any Notes in issue in the circumstances described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) of the conditions of the Notes.

Noteholders should also be aware that in circumstances where the Issuer informs the Trustee that a modification is required to correct any inconsistency arising in the applicable Final Terms in respect of any Series of Notes as compared to any term sheet, brochure or other written communication in respect of the Notes that has been distributed to Noteholders in respect of that Series, the Trustee shall agree to such modifications without the consent of Noteholders, provided however that (A) the Issuer provides to the Trustee certification and documentation detailing such inconsistency and appending the relevant written communication distributed to Noteholders; (B) in case of rated Notes, any credit rating agency that has rated such Notes provides confirmation that the credit ratings of such Notes would not be adversely affected; and (C) the Trustee has the right to refuse to agree such changes if, in its sole opinion, the change would expose it to more onerous obligations or additional costs for which, in its sole opinion, it is not or will not be pre-funded or indemnified or secured to its satisfaction. Noteholders should read the provisions of Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) which describes the circumstances in which such modifications may be made.

Any such modifications made on the terms of and in the circumstances described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) of the conditions of the Notes would be binding on all relevant Noteholders.

Taxation in relation to the Notes

Transactions involving Notes may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes. No representation is made by the Issuer or the Dealer as to the tax consequences for any person of acquiring, holding or disposing of any Notes or any other transaction involving any Notes. Prospective investors considering acquiring any Notes should understand the tax risks of transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances.

No Gross Up

Unless the Final Terms specify that Condition 7A (*Taxation - No Gross Up*) is not applicable and that Condition 7B (*Taxation - Gross Up*) is applicable, the Issuer will not be obliged to gross up, or pay any additional amounts in respect of, any payments of principal and interest in respect of the Notes, Receipts and Coupons in respect of which any withholding or deduction has been required to be made in respect of any tax.

Redemption for tax reasons

The Issuer may redeem the Notes in whole if, among other things, the Issuer would be required to pay certain tax gross up payments in respect of the Notes. The amount payable by the Issuer on such redemption will be an amount determined by the Issuer in its sole and absolute discretion and calculated in accordance with the formula or other means specified in the relevant Final Terms which may be less than amounts invested in the Notes. Noteholders may not benefit from any appreciation in value or level of the Underlying Asset(s) that may occur following such redemption.

U.S. Foreign Account Tax Compliance Withholding

The United States has passed legislation (the Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment (HIRE) Act of 2010, commonly referred to as "**FATCA**"), which generally will impose new information reporting and other requirements with respect to certain holders of "financial accounts", as such term is defined in the FATCA rules. Under FATCA, non-U.S. financial institutions generally will be required to enter into agreements with the Internal Revenue Service ("**IRS**") to identify financial accounts held by U.S. persons or non-U.S. entities with substantial U.S. ownership, as well as accounts of other "financial institutions" that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. For these purposes, the term "**financial institution**" includes, among others, banks, insurance companies and funds that are engaged primarily in the business of investing, reinvesting or trading in securities, commodities or partnership interests. Notes issued prior to 1 January 2013 that are classified as debt for U.S. federal income tax purposes are generally exempt from these rules.

If a participating non-U.S. financial institution makes a covered payment to an accountholder that has not provided information requested to enable the financial institution to comply with its FATCA reporting obligations, or if the recipient of the payment is a non-participating non-U.S. financial institution (that is not otherwise exempt), the payor will be required to withhold 30 per cent. on all or a portion of the payment. The withholding tax on payments to a non-participating non-U.S. financial institution generally will apply whether the financial institution is receiving payments for its own account or on behalf of another person. Guidance issued by the IRS indicates an intention to promulgate regulations that, beginning in 2017, would treat, for example, a portion of payments of interest, principal and disposition proceeds on debt or equity issued by a participating non-U.S. financial institution as being subject to this withholding tax based on the percentage of the financial institution's total assets that are U.S. assets.

If the Issuer (or any Paying Agent) were to enter into a reporting agreement with the IRS under the FATCA rules, an investor in Notes that is not a financial institution may be required to provide information to establish whether it is a U.S. person or is substantially owned by U.S. persons in order to establish an exemption from this withholding tax. An investor in Notes that is a financial institution may be required to establish whether it is a U.S. financial institution or a participating non-U.S. financial institution in order to establish such an exemption.

An investor that is a non-U.S. financial institution generally will be able to obtain a refund only to the extent an applicable income tax treaty with the United States entitles such institution to a reduced rate of tax on the payment that was subject to withholding under these rules, provided the required information is furnished in a timely manner to the IRS. Investors generally will not be entitled to interest from the IRS for the period prior to the refund. It is not entirely clear how income tax treaty exemptions apply to withholding on payments of principal or gross proceeds recognised on the sale or other disposition of Notes.

Financial institutions in jurisdictions that have entered into agreements with the United States and enacted legislation to collect and share information regarding account holders of financial institutions with the United States will generally be able to receive payments free of withholding under FATCA. The United Kingdom, the United States, France, Germany, Italy and Spain have announced their intention to enter into inter-governmental reciprocal information gathering and sharing agreements of this kind. It is not yet clear whether legislation implementing these agreements will be enacted in any jurisdiction nor is it entirely clear how any such legislation will impact the treatment of Notes under FATCA.

Investors will not be entitled to receive additional amounts or otherwise be compensated by the Issuer (or any Paying Agent) with respect to taxes withheld pursuant to FATCA.

This description of the FATCA rules is based on proposed regulations and preliminary guidance. Further guidance is anticipated prior to the effective date of these rules, which may significantly modify these rules as they apply to the Issuer and to investors. Prospective investors considering acquiring any Notes should understand the application of FATCA to the Notes and the related risks, in particular if they may be classified as financial institutions under these rules, and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances.

EU Savings Directive

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

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

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Prospective investors considering acquiring any Notes should understand the risks posed by the Directive in relation to transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should understand and be able to

determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Before acquiring Notes, financial institutions should understand and determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

General

An investment in the Notes is speculative and entails substantial risks. The Notes are only intended for investors who have the necessary experience and knowledge in order to understand the risks involved in relation to the Notes. Prospective Noteholders should understand that in some instances they could suffer a partial or complete loss of their investment subject, if applicable, to any minimum redemption amount specified in the relevant Final Terms and that any investment return on a Note determined by reference to changes in the value or level of the Underlying Asset(s) (as defined below) described in the Final Terms is subject to fluctuation and may be less than would be received by investing in a conventional debt instrument. Changes in value or level of the Underlying Asset(s) cannot be predicted. If so provided in the relevant Final Terms, the Notes may be subject to early redemption by reference to changes in value or level of the Underlying Asset(s). On redemption, the Notes may be redeemed in such manner as the Final Terms provides or, in certain circumstances, may be exchanged for other securities. If the Notes are redeemed prior to maturity the value may be less than the nominal amount.

Prospective purchasers should review the "*General Terms and Conditions of the Notes*" as set out in this Part A of this Base Prospectus, the "*Standard Terms*" for the relevant Notes as set out in the applicable Part of this Base Prospectus and the applicable Final Terms to ascertain what provisions apply to the Notes.

Risks related to Secured Notes

Collateral Pool may not be sufficient to meet all payments in respect of the Secured Notes

Under the terms of the Trust Deed, any net proceeds realised upon enforcement of the Security over a Collateral Pool (which may be comprised of cash and/or government bonds and/or senior or subordinated debt obligations of specified entities) will be applied in or towards satisfaction of the claims of, among others, the Trustee and any appointee and/or receiver appointed by the Trustee in respect of the relevant Secured Notes before the claims of the holders of the relevant Secured Notes. The Supplemental Trust Deed relating to any Collateral Pool may provide for an Independent Amount, in which case the Issuer will be required to post to the Collateral Pool at all times an additional amount equal to the Independent Amount. The Independent Amount is intended to address, in part, any claims that may rank ahead of the claims of the relevant Noteholders, Couponholders and Receiptholders. However, the periodic valuations of the Posted Collateral (as defined in the Trust Deed) undertaken pursuant to the terms of the Trust Deed will not value or otherwise take into account any such prior ranking claims, and the Independent Amount, if any, will not be changed from time to time. To the extent that the amounts payable in respect of prior ranking claims exceed the Independent Amount (if any) applicable to that Collateral Pool, the net proceeds realised from that Collateral Pool may be insufficient to meet in full the claims of the relevant Noteholders, Couponholders and Receiptholders.

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

Furthermore, changes in the market value of the Posted Collateral arising after the date on which the Secured Notes become due and payable following an Event of Default may mean that the net proceeds realised upon enforcement of the security over a Collateral Pool are insufficient to meet in full the claims of the holders of the relevant Secured Notes and any related Receipts and Coupons.

Investors should note that Posted Collateral may be denominated in any Eligible Currency, which may not be the same currency as the denomination of the Notes. Therefore, where the Posted Collateral is not denominated in the same currency as the Notes, the exchange rate between the Base Currency and the relevant Eligible Currency of the Posted Collateral may be volatile and any changes in the exchange rate may have an adverse effect on the market value of the Posted Collateral, and as mentioned in the preceding paragraph, may mean that the net proceeds realised upon enforcement of the security over a Collateral Pool are insufficient to meet in full the claims of the holders of the relevant Secured Notes and any related Receipts and Coupons. Additionally market interest rates in relation to the currency of the Posted Collateral may be volatile and any changes in such interest rates may have an adverse effect on the market value of the Posted Collateral, which may mean that the net proceeds realised upon enforcement of the security over a Collateral Pool are insufficient to meet in full the claims of the holders of the relevant Secured Notes and any related Receipts and Coupons.

Fixed charges may take effect under English law as floating charges

Pursuant to the terms of the Supplemental Trust Deed relating to any Collateral Pool, the Issuer will, among other things, purport to grant fixed charges in favour of the Trustee to be held for, *inter alios*, the holders of the Covered Series of Notes secured by such Collateral Pool. However, the law in England and Wales relating to the characterisation of fixed charges is not settled and the Issuer cannot exclude the possibility that the fixed charges purported to be granted by it may take effect under English law as floating charges only. If, contrary to the Issuer's intention, such fixed charges were to take effect as floating charges, then certain other claims may be satisfied out of the net proceeds realised upon enforcement of the security over such Collateral Pool ahead of the claims of the relevant Noteholders, Receiptholders and Couponholders, such that the net proceeds may be insufficient to pay the relevant Noteholders, Receiptholders and Couponholders in full or in part.

In addition, if the Issuer were to go into administration pursuant to the provisions of the Insolvency Act (as amended by, *inter alia*, the Enterprise Act 2002), then the Trustee may not be able to enforce the Security for the duration of any moratorium or stay imposed by the administration procedure. This may lead to delays in the enforcement of any Security and may, among other things, result in losses being incurred by Noteholders in relation to a Series of Secured Notes.

Collateral Pool may secure more than one Series of Secured Notes

A Collateral Pool may secure the Issuer's obligations with respect to more than one Series of Secured Notes and an Event of Default with respect to any one Series of Secured Notes secured by such Collateral Pool may trigger the early redemption of all other Related Covered Series that are secured by the same Collateral Pool in order for the security over the entire Collateral Pool to be enforced. Such cross-default may, among other things, result in losses being incurred by Noteholders in relation to a Series of Secured Notes which would not have otherwise have arisen.

Withdrawal and substitution of Posted Collateral

Under the terms of the Trust Deed, the Valuation Agent will perform periodic valuations in relation to each Collateral Pool. If the Valuation Agent determines that the value of all Posted Collateral with respect to such Collateral Pool exceeds the sum of (a) the aggregate of the early redemption amounts that the Issuer would be required to pay to Noteholders in respect of each Covered Series secured by such Collateral Pool and (b) the Independent Amount (if any), the Issuer shall be entitled to request a return of the excess collateral amount. Any such request for the return of excess collateral is subject to (a)

verification by the Verification Agent that based on the information and documents provided to it an excess collateral amount exists; and (b) approval by the Trustee. Under the terms of the Trust Deed, the Issuer may request a return of excess collateral (a) once per calendar month, **provided that** the excess collateral amount for the applicable valuation date(s) is equal to or greater than the Minimum Transfer Amount (if any); or (b) on any applicable valuation date when the excess collateral amount for such Collateral Pool equals or exceeds £1,000,000 (or its equivalent in another Eligible Currency).

In addition, the Issuer may, in accordance with the terms of the Trust Deed, request that certain items of Posted Collateral be substituted for other items of Eligible Collateral **provided that** certain conditions are met, including, among others, that the bid price of the new item of Eligible Collateral on the date of transfer is equal to or exceeds the bid price of the original item of Posted Collateral. Any such substitution request is subject to (a) verification by the Verification Agent that the new item of collateral is Eligible Collateral; and (b) approval by the Trustee. Neither the Verification Agent nor the Trustee is obliged to confirm that the bid price of the new item of Eligible Collateral is equal to or exceeds the bid price of the original item of Posted Collateral. Following any such substitution, the market value of the new item of Eligible Collateral may fall below the value of the original item of Posted Collateral, and the net proceeds realised upon enforcement of the relevant Collateral Pool may be less than if no such substitution had been made.

Custody arrangements

With respect to Posted Collateral in the form of cash, holders of the relevant Secured Notes and any related Receipts and Coupons are exposed to the risk that, if the Custodian becomes insolvent, such cash amounts will not be protected in the event Investec also becomes insolvent and the Security over the Posted Collateral needs to be enforced.

Furthermore, under the terms of the Agency Agreement, the Issuer has appointed Deutsche Bank AG, London Branch as its custodian to hold all Posted Collateral with respect to each Covered Series of Notes and the Custodian may appoint one or more sub-custodians to hold such Posted Collateral. The Issuer has no direct contractual relationship with the sub-custodians, and the Custodian has not created security over its rights against the sub-custodians in favour of the Issuer. Accordingly, in the event that the Trustee enforces the security over any Collateral Pool, it will have no direct rights against any sub-custodian appointed by the Custodian, but will need to rely on the rights that it has with respect to the Custodian.

Valuation Agent conflicts of interest

With respect to each Collateral Pool, it is expected that Investec Bank plc in its capacity as Valuation Agent will be responsible for the periodic valuations of the Posted Collateral, which will determine, among other things, the amount of additional collateral (if any) the Issuer will need to post to secure its obligations with respect to the relevant Covered Series of Notes. Accordingly, certain conflicts of interest may arise between Investec Bank plc in its capacity as Valuation Agent and the Noteholders and holders of any related Receipts and Coupons.

Risks related to Secured Notes with Collateral Credit-Linkage

Multiple credit exposure

In relation to a Series of Secured Notes, if the applicable Final Terms specify that Collateral Credit-Linkage is applicable, then the return of all or part of an investor's capital will be linked to the credit or solvency of a specified Collateral Reference Entity (or Collateral Reference Entities), which is likely to be a bank, a corporation or a government, with each Collateral Reference Entity having the Collateral Reference Entity Weighting specified therein.

Notes which are linked to the credit or solvency of one or more specified Collateral Reference Entities are complex financial instruments. An investment in Secured Notes in relation to which Collateral Credit-Linkage is specified as applicable in the applicable Final Terms ("**Secured Notes with a Collateral Credit-Linkage feature**") will entail significant risks not associated with conventional fixed or floating rate debt securities which do not contain such Collateral Credit-Linkage feature.

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

in addition to being exposed to the performance of the Underlying Asset (as defined below), investors in Secured Notes with a Collateral Credit-Linkage feature will also be exposed to the credit of the specified Collateral Reference Entity/ties. However, exposure to the credit of the Issuer is reduced to the extent of the value of the security.

Reduced return following a Credit Event with respect to one or more Collateral Reference Entities

Each Secured Note with a Collateral Credit-Linkage feature is linked to the credit of one or more Collateral Reference Entities, such as a bank, a corporation or a government.

Collateral Credit-Linkage may take one of two forms: Simplified Credit-Linkage or ISDA Credit-Linkage, as specified in the applicable Final Terms.

(i) *Simplified Credit-Linkage*

If the applicable Final Terms specify that Simplified Credit-Linkage is applicable in relation to a Series of Notes, and a Credit Event occurs in relation to one (or more) of the specified Collateral Reference Entities (i.e. a Collateral Reference Entity becomes Insolvent), then the Calculation Agent may give notice of the occurrence of a Credit Event and the portion of the Notes linked to that particular Collateral Reference Entity, (the "**Relevant Portion**") may be redeemed as if such Relevant Portion were a separate Note, in accordance with the provisions of Condition 21(b).

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

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

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

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

Investors should note that the Specific Recovery Rate in respect of a Collateral Reference Entity is determined by reference to a specific debt obligation (being the Collateral Reference Obligation specified in the applicable Final Terms) of the Collateral Reference Entity by the Calculation Agent. Accordingly, the redemption amount payable in respect of the Relevant Portion of each Secured Note linked to the credit or solvency of one or more Collateral Reference Entities (where Specific Recovery Rate is specified in the applicable Final Terms) may be

different from the return that investors would have received had they been holding a different debt instrument or if General Recovery Rate were specified as applicable.

(ii) *ISDA Credit-Linkage*

If the applicable Final Terms specify that ISDA Credit-Linkage is applicable in relation to a Series of Notes, and a Credit Event (which may be specified in the applicable Final Terms or which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring depending on the Transaction Type specified in the applicable Final Terms) occurs in relation to one (or more) of the specified Collateral Reference Entities, then the portion of the Notes linked to that particular Collateral Reference Entity (the "**Relevant Portion**") may be redeemed as if such Relevant Portion were a separate Note, in accordance with the provisions of Condition 21(c). In that event, the redemption amount which would otherwise be payable in respect of the Relevant Portion will be reduced.

The redemption amount payable in respect of a Secured Note with a Collateral Credit-Linkage feature following the giving of a CLN Event Notice (in the case of ISDA Credit-Linkage) will be determined by the Calculation Agent, acting in a commercially reasonable manner, by reference to the Adjusted Fair Market Value of the Relevant Portion and the Auction Final Price or Final Price (as applicable) that would be applicable to such Collateral Reference Entity under the relevant Notional CLN relating to such Collateral Reference Entity.

The relevant Notional CLN in relation to a Collateral Reference Entity will be either (a) a Notional (General) CLN or (b) a Notional (Specific) CLN. The Notional (General) CLN is a notional credit-linked note issued on market standard terms and incorporating certain provisions from the 2003 ISDA Credit Definitions. The Notional (Specific) CLN is a notional credit-linked note issued on market standard terms by reference to a single Collateral Reference Obligation of the Collateral Reference Entity and incorporating certain provisions from the 2003 ISDA Credit Definitions. The Collateral Reference Obligation in respect of the Collateral Reference Entity, if applicable, will be specified in the applicable Final Terms.

The Auction Final Price, as applicable, is the price (expressed as a percentage) in respect of the deliverable obligations so determined by the Calculation Agent in accordance with the relevant Applicable Transaction Auction Settlement Terms in relation to the relevant Notional CLN, and the Final Price, as applicable, is the price of the deliverable obligation, expressed as a percentage, determined by the Calculation Agent in accordance with the Valuation Method specified in the applicable Final Terms or, where applicable, Term 16 (*Restructuring Credit Event*) of Part D - Credit-Linked Notes, with respect to the Relevant Valuation Date, in each case determined in accordance with the provisions of the relevant Notional CLN.

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

Investors should note that (where no Collateral Reference Obligation is specified in the applicable Final Terms and accordingly the Notional (General) CLN applies) the redemption amount payable in respect of the Relevant Portion of each Secured Note with a Collateral Credit-Linkage feature (in the case of ISDA Credit-Linkage) may be different from the return that investors would have received had they been holding a particular debt instrument issued by the specified Collateral Reference Entity.

Investors should note that (where a Collateral Reference Obligation is specified in the applicable Final Terms and accordingly the Notional (Specific) CLN applies) the redemption amount payable in respect of the Relevant Portion of each Secured Note with a Collateral Credit-Linkage feature (in the case of ISDA Credit-Linkage) may be different from the return that investors would have received had they been holding the Collateral Reference Obligation or another debt instrument issued by the specified Collateral Reference Entity.

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

Cessation of accrual of Interest

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

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

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

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

Interest Postponement (ISDA Credit Linkage only)

At any time, Noteholders of Secured Notes with a Collateral Credit-Linkage feature that is specified as ISDA Credit-Linkage may receive notice (in accordance with Condition 13 (*Notices*)) that a payment of interest scheduled to be paid on any date in respect of any Relevant Portion of a Note is to be suspended, where the Calculation Agent determines that a payment of interest scheduled to be paid on any date under the relevant Notional CLN relating to that Relevant Portion of a Note would be suspended pursuant to Term 6 (*Interest Postponement*) of the Standard Terms for Credit-Linked Notes, whereupon such interest payment shall be suspended in accordance with the terms of such notice. No additional interest is payable and no adjustment is to be made in connection with such delay or postponement.

Extension of Maturity (ISDA Credit Linkage only)

At any time prior to the Maturity Date of Secured Notes with a Collateral Credit-Linkage feature that is specified as ISDA Credit-Linkage, Noteholders may receive notice (in accordance with Condition 13 (*Notices*)) that the Maturity Date of the Notes is to be extended to match the maturity of the relevant Notional CLN relating to any Relevant Portion of a Note, where the Calculation Agent determines that an Extended Maturity Date applies in respect of such Notional CLN, whereupon the Maturity Date of such Relevant Portion shall be extended in accordance with the terms of such notice.

Correlation risk

The likelihood of a Credit Event occurring in respect of any Collateral Reference Entity will generally fluctuate with, among other things, the financial condition of such Collateral Reference Entity, general economic conditions, the condition of financial markets, political events, developments and trends in a particular industry and prevailing interest rates. With respect to Secured Notes with a Collateral Credit-Linkage feature that are linked to more than one Collateral Reference Entity, the relevant Collateral Reference Entities may in some cases be entities operating in the same industry and/or geographical area

(for example, banks or financial institutions operating in the UK). Accordingly, a credit deterioration in one Collateral Reference Entity may be strongly correlated with the credit deterioration of the other Collateral Reference Entities. In such cases, if one Collateral Reference Entity is negatively affected by certain market conditions, such market conditions are likely to also affect the other Collateral Reference Entities and/or the Issuer. This may result in substantial decreases in the return payable on such Secured Notes over a short period of time as more than one Collateral Reference Entity and possibly also the Issuer is affected by the same market conditions. Furthermore, the insolvency of one Collateral Reference Entity may exacerbate market conditions and contribute to the credit deterioration of the other relevant Collateral Reference Entities and/or the Issuer.

No information regarding Collateral Reference Entities

No investigation has been or will be made regarding any of the Collateral Reference Entities. Prospective investors of Secured Notes with a Collateral Credit-Linkage feature should obtain and evaluate information regarding the Collateral Reference Entities as if they were investing directly in the debt obligations of the Collateral Reference Entities. In addition, investors should understand that the historical performance of any specific debt obligation or the debt obligations of such Collateral Reference Entities generally is not predictive of future performance. As none of the Collateral Reference Entities has participated in the preparation of this Base Prospectus or any Final Terms, there can be no assurance that all material events or information regarding the Collateral Reference Entities have been disclosed at the time the Notes are issued. Subsequent disclosure of any such events or the failure to disclose material events concerning any of the Collateral Reference Entities could affect the redemption amount payable on the Notes or the general trading price of the Notes.

Issuer need not suffer or prove financial loss with respect to any Collateral Reference Entity

With respect to Secured Notes with a Collateral Credit-Linkage feature, the Issuer may, but is not obligated under the terms of the Trust Deed, to purchase debt securities of the relevant Collateral Reference Entities to post as collateral. Under the terms of the Trust Deed and the applicable Final Terms, the Issuer may post cash, government debt and/or debt obligations of the relevant Collateral Reference Entities and/or other Eligible Collateral, as specified in the applicable Final Terms. Accordingly, the Collateral Pool for such Secured Notes may not in fact include debt instruments of one or more of the relevant Collateral Reference Entities. Following the delivery of a Credit Event Notice (in the case of Simplified Credit-Linkage) or a CLN Event Notice (in the case of ISDA Credit-Linkage) with respect to any Collateral Reference Entity, the return payable to an investor in the Notes will be reduced and may be reduced substantially but there is no need for the Issuer to suffer any loss or provide evidence of financial loss in such instances. In respect of such Notes, whether an investor receives a return on their investment or not, in respect of such Notes, is linked to the credit or solvency of the Collateral Reference Entity or Collateral Reference Entities as described above, irrespective of the performance of the Underlying Asset. If all of the relevant Collateral Reference Entities become insolvent, an investor's return on such Secured Notes with a Collateral Credit-Linkage feature may even be zero.

Collateral Reference Obligations may consist of subordinated debt

Any Collateral Reference Obligations specified in the applicable Final Terms for Secured Notes with a Collateral Credit-Linkage feature may include debt obligations, which are described as subordinated (in relation to Simplified Credit Linkage) or, in relation to which the Not Subordinated Obligation Characteristic is not applicable (in relation to ISDA Credit Linkage). In each case, such subordinated debt obligations will rank junior to, and the value of such subordinated debt obligations may be less than that of, senior obligations in respect of the same issuer, and the value of such subordinated debt obligations may even be zero in circumstances where a Credit Event has occurred. The Issuer is under no fiduciary duty to select reference assets of any particular value or that maximise value for Noteholders. The applicable Final Terms will specify the relevant criteria in respect of any subordinated debt obligation that is a Collateral Reference Obligation.

Risks related to the Underlying Asset

The Notes may have a principal return or a coupon that may be determined by reference to the value or level of an underlying share, a basket of shares, an index, a basket of indices, a rate or rates (including foreign exchange rates), inflation, or one or more commodities or commodity indices to which it is linked (the "**Underlying Assets**"). In addition, the Notes may also be linked to the credit of one or more

specified Reference Entities (e.g., a bank, a corporation or a government) or may additionally be Secured Notes with a Collateral Credit-Linkage feature and linked to the credit or solvency of one or more specified Collateral Reference Entities, which is likely to be a bank, a corporation or a government.

The value of the Notes may be subject to fluctuation and the return on the Notes may be less than would be received by investing in a conventional debt instrument. Changes in value or level of the Underlying Asset cannot be predicted. If so provided in the applicable Final Terms, the Notes may be subject to early redemption by reference to changes in the value or level of the Underlying Asset. Accordingly, an investment in the Notes is speculative and entails substantial risks. Prospective Noteholders should understand that in some instances they could suffer a partial or complete loss of their investment subject, if applicable, to any minimum redemption amount specified in the applicable Final Terms.

Certain factors affecting the value of Notes

The value of the Notes prior to maturity depends on a number of factors including the performance achieved by the Underlying Asset until that time, interest rates, volatility and time to maturity. The price at which a holder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the principal balance thereof, based upon one or more of the factors described below. The factors that will affect the trading value of the Notes interrelate in complex ways (for example, one factor may offset an increase in the trading value of the Notes caused by another factor). Factors that may impact the value of the Notes, assuming other conditions remain constant, include:

Value of the Underlying Asset. The value of the Notes may be determined by reference to the value or level of the Underlying Asset. Accordingly, the value of the Notes, the redemption amount payable in respect of the Notes, the interest amount payable in respect of the Notes, and the determination of whether the Notes will be redeemed prior to scheduled maturity and/or in cash or by physical delivery will depend substantially on the value or level of the Underlying Asset. Fluctuations in the value or level of the Underlying Asset may indirectly affect the value of the Notes as may expectations of fluctuation in value or level of the Underlying Asset during the remaining period to the Maturity Date or any earlier date for determining any price or value for the purposes of determining the basis for redemption of the Notes. Prospective investors in the Notes should recognise that it is impossible to predict whether the value or level of the Underlying Asset will rise or fall. Political, economic and other developments that affect the value or level of the Underlying Asset may also affect the value of the Notes.

Calculation of the value or level of the Underlying Asset. The value or level of the Underlying Asset, and accordingly, the value of the Notes will be dependent not only on the performance of the Underlying Asset, but also on how and when such performance is measured. The times, dates and methods used for determining when the level or value of the Underlying Asset is measured may have a significant impact on the value or level of the Underlying Asset and accordingly on the return on the Notes. For example, in the case of Notes whose redemption price is linked to the breach of a specified barrier, whether such determination is made as of the scheduled closing time of the Underlying Asset or whether such breach is measured on a constant basis could lead to greatly divergent valuations of the Underlying Asset and accordingly the return on the Notes. If the final level or value of the Underlying Asset is calculated over a period of time, rather than on a single date, investors will be exposed to the performance of the Underlying Asset on days other than the Maturity Date. If the level or value of the Underlying Asset is calculated as of a specific date (rather than as an average of several dates), investors will have greater exposure to the volatility of the Underlying Asset in respect of the calculation of such level or value.

Value of baskets in relation to Equity-Linked Notes and Index-Linked Notes. Where the Underlying Asset is a basket of shares, an equity index or a basket of equity indices, the value or level of the Underlying Asset may be affected by the number of companies represented in such basket or index. Generally, the value of a basket of shares or an equity index that includes shares from a number of companies which gives relatively equal weight to the shares of each of such companies will be less affected by changes in the value of any particular shares included therein than a basket of shares or an index that includes the shares of fewer companies or that gives greater weight to the shares of some of the companies included therein. In addition, if the shares included in a basket of shares or index are of companies in a particular industry sector, the value of such a basket or an index will be more affected by the economic, financial and other factors affecting that industry sector than if the basket comprised shares of companies in various industry sectors that are affected by different economic, financial or other factors or are affected by such factors in different ways.

Value of baskets in relation to Commodity-Linked Notes and Commodity Index-Linked Notes. The same principles as described in the above paragraph apply *mutatis mutandis* in respect of Commodity-Linked Notes and Commodity Index-Linked Notes where the Underlying Asset is a basket of commodities or a commodity index.

"Best of"/"Worst of" features in respect of baskets. Where the applicable Final Terms specify that the Underlying Asset is a basket and that the "Best of" feature is applicable, the value of the basket will depend on a specified number of components comprising the basket that have shown the best performance in comparison to the other components comprising the basket over a specified period of time. Conversely, where the applicable Final Terms specify that the "Worst of" feature is applicable, the value of the basket will depend on a specified number of components comprising the basket that have shown the worst performance in comparison to the other components comprising the basket over a specified period of time. As the best-performing components, or the worst-performing components, of a basket, as applicable, are not representative of the performance of the basket as a whole, any calculations or determinations of value that involve the "Best of" or "Worst of" feature may produce results that are very different to those that take into account the performance of the basket as a whole. Potential investors should examine the manner in which the "Best of" and "Worst of" features affect the value of any basket and examine the context in which the such value affects the determination of any payouts. Potential investors in any such Notes should be aware that the returns they receive (if any) on investment in Notes which have a "Best of" and/or "Worst of" feature may be substantially different from the return on investment in Notes without such features.

Dividend rates in relation to Equity-Linked Notes and Index-Linked Notes. The relationship between dividend rates and the price of an Underlying Asset is complex. If the dividend rate on the Underlying Asset or a component of the Underlying Asset increases, the trading value or level of the Underlying Asset and in turn the value of the Notes would be expected to decrease. Increased dividend rates may, however, positively affect the value or level of the Underlying Asset. As a result, the return on the Notes could in fact increase (or decrease by a lesser amount than it otherwise would have decreased). Likewise, if the dividend rate on the Underlying Asset decreases, the value of the Notes would generally be expected to increase. Decreased dividend rates may, however, adversely affect the value or level of the Underlying Asset. The value of the Notes could therefore in fact decrease (or increase by a lesser amount than it otherwise would have increased).

Similar public offerings. The trading price of the Notes may be adversely affected to the extent public offerings of securities similar to the Underlying Asset (or a component thereof) are made in the United Kingdom or elsewhere. Investors should also consider factors affecting the economy of the country or countries in which the companies whose shares comprise the Underlying Asset (or components thereof) conduct their operations.

Leverage. The Notes may have a leveraged exposure to the Underlying Asset, in that the exposure of each Note to the Underlying Asset may be greater (or less) than the nominal amount of the Note. Positive leveraged exposure results in the effect of small price movements being magnified and may lead to proportionally greater losses in the value or level of the Underlying Asset and in turn the value of and return on the Notes as compared to an unleveraged exposure. If market conditions change, the value of the Notes will be more volatile than if there was no leverage. In cases where the leverage factor employed is less than 100 per cent., the impact of the final performance on the Final Redemption Amount will be less than a one-for-one basis, and will therefore decrease the effect of the positive or negative final level or value, as applicable. If the leverage factor employed is greater than 100 per cent., the investors will have an exposure to the performance of the Underlying Asset that is greater than a one-for-one basis, and will therefore increase the effect of the positive or negative final level or value, as applicable. Investors may receive lower returns in such cases with a leveraged exposure than if their exposure to the Underlying Asset was at 100 per cent.

Non-linear relationship of Notes to Underlying Asset. A change in the value or level of the Underlying Asset may not result in a comparable or proportionate change in the value or level of the Underlying Asset and, accordingly, in the price of the Notes due to, amongst other things, the use of leverage factors, averaging, caps, floors, thresholds and barriers or any combination of these features. If leverage factors, averaging, caps, floors, thresholds or barrier amounts or are used in the formula for calculating the redemption price of the Underlying Asset, Noteholders may forego returns or suffer losses that are relatively large or relatively small compared to a movement in the value or level of the Underlying Asset.

Investors should therefore fully understand how the value of the Notes is linked to the value or level of the Underlying Asset.

Interest rates. The value of the Notes may be affected by changes in interest rates. Depending on the Underlying Asset and the formula for calculating the redemption price of the Underlying Asset, changes in interest rates may increase or decrease the value or level of the Underlying Asset and in turn the value of the Notes. For example, rising interest rates may lower the value or level of the Underlying Asset and thus the value of the Notes, whereas falling interest rates may increase the value or level of the Underlying Asset and thus the value of the Notes. Changes in interest rates may also affect the economy of a country in which the components of the Underlying Asset are traded and thus indirectly affect the value of the Notes.

Currency fluctuations. Foreign exchange rates may be affected by complex political and economic factors, including relative rates of inflation, interest rate levels, the balance of payments between countries, the extent of any governmental surplus or deficit and the monetary, fiscal and/or trade policies pursued by the governments of the relevant currencies. Currency fluctuations may affect the value or level of the Underlying Asset in complex ways. If such currency fluctuations cause the value or level of the Underlying Asset to decrease, the value or level of the Underlying Asset may be adversely affected and in turn the value of the Notes may fall. If the value or level of the Underlying Asset and/or the Underlying Asset is denominated in a currency that is different from the currency of the Notes, investors in the Notes may be subject to increased foreign exchange risk. Previous foreign exchange rates are not necessarily indicative of future foreign exchange rates.

Volatility of the Underlying Asset. If the size and/or frequency of market fluctuations in the value or level of the Underlying Asset increases or decreases, the value of the Notes may be adversely affected.

Path dependency. The return of the Notes may be dependent on the movements in the value or level of the Underlying Asset over the term of the Notes. The Notes may have a return that is linked in whole or in part to the average value or level of the Underlying Asset over the entire term of the Notes or over another specified period. Alternatively, the return on the Notes may be dependent on whether the level or value of the Underlying Asset has breached a specified barrier on or prior to a specified date.

Time remaining to maturity. The Notes may trade at a value above that which would be expected based on interest rates and the value or level of the Underlying Asset. Any such difference will reflect a "time premium" resulting from expectations concerning the Underlying Asset during the period prior to the stated maturity of the Notes. As the time remaining to the stated maturity of the Notes decreases, this time premium may decrease, adversely affecting the value or level of the Underlying Asset which in turn may adversely affect the value of the Notes.

Hedging

Prospective investors intending to acquire Notes to hedge against the market risk associated with investing in any securities, indices, commodities, credit, rates or other variables and factors should recognise the complexities of utilising Notes in this manner. For instance, due to fluctuating supply and demand for the Notes, there is no assurance that their value will correlate with fluctuations in value or level of the Underlying Asset. Furthermore, if the return on the Notes is linked to the value or level of an Underlying Asset, any change in the value or level of the Underlying Asset may not result in a similar change in value of the Notes.

No ownership rights

An investment in the Notes is not the same as an investment in the Underlying Asset and does not confer any legal or beneficial interest in the Underlying Asset or any component of the Underlying Asset or any voting rights, rights to receive dividends or other rights that a holder of the Underlying Asset or Underlying Asset or any component of the Underlying Asset would have. The Notes are unsubordinated and (except in the case of a Series of Secured Notes) unsecured obligations of the Issuer. No security has been taken in respect of the Underlying Asset or any component of the Underlying Asset unless otherwise set out in the applicable Final Terms.

Actions or omissions of issuer or sponsor of the Underlying Asset, Reference Entity or Collateral Reference Entity

In certain circumstances, the actions or omissions of the issuer or sponsor of any Underlying Asset or (in the case of Credit-Linked Notes) any Reference Entity or (in the case of Secured Notes with a Collateral Credit-Linkage feature) any Collateral Reference Entity to which the Notes relate or are linked, which are outside the control of the Issuer, may adversely affect the rights of the Noteholders and/or the value of the Notes, including actions that may give rise to an adjustment to, or early redemption of, the Notes.

Hedging activities of the Issuer and affiliates

The Issuer and/or its affiliates may carry out hedging activities related to the Notes, including purchasing the Underlying Asset(s), components of the Underlying Asset(s) and/or debt obligations of a Reference Entity and/or a Collateral Reference Entity (as applicable), but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell the Underlying Asset(s) and/or component of the Underlying Asset on a regular basis as part of their securities businesses. Any of these activities could potentially affect the value or level of the Underlying Asset and the debt obligations of the Reference Entity and/or the Collateral Reference Entity (as applicable) and, accordingly, the value of the Notes. In addition, the disruption of such hedging arrangements or material increase in cost of such hedging arrangements may lead to an early redemption of the Notes in whole (but not in part) as specified in the applicable Final Terms.

Conflicts of interest

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

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

In addition, the Issuer may be the Calculation Agent responsible for making determinations and calculations in connection with the Notes (and the Underlying Asset(s)) and may also be the Valuation Agent in connection with the each Collateral Pool. Accordingly, certain conflicts of interest may arise between the interests of the Issuer and the interests of holders of Notes.

Index disclaimer

Index-Linked Notes and Commodity Index-Linked Notes are not sponsored, endorsed, sold or promoted by any index to which they are indirectly linked or any sponsor of such index and such index sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of any index and/or the levels at which such index stands at any particular time on any particular date or otherwise. No index sponsor shall be liable (whether in negligence or otherwise) to any person for any error in any index and an index sponsor is under no obligation to advise any person of any error within an index. An index sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with such Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by an index sponsor in connection with the calculation, adjustment or maintenance of an index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over any index or index sponsor or any control over the computation, composition or dissemination of any index. Although the Issuer and the Calculation Agent will obtain information concerning an index to which the Notes are linked from publicly available sources they believe to be reliable, they will not independently verify this information.

Risks related to the structure of particular issues of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Variable rate Notes, and other Notes, with a multiplier or other leverage factor

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

Notes subject to optional early redemption

An optional early redemption feature in favour of the Issuer of Notes (call option) is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Noteholders should note that a call option creates uncertainty for investors, as to whether the Notes will remain outstanding until maturity.

If the applicable Final Terms specifies that an Issuer Call Option or Noteholder Put Option (i.e. an optional redemption feature in favour of the Noteholders) is applicable then, upon exercise of such option, the relevant Notes will be redeemed at their Optional Redemption Amount which may be at par (plus any accrued interest) or at their fair market value or another amount, as specified in the applicable Final Terms.

The Issuer may be expected to exercise its call option and redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

Risk of early redemption

Notes may be mandatorily redeemed prior to their scheduled maturity date for a number of reasons, such as taxation events, or following an Event of Default or, in the case of Credit-Linked Notes or Secured Notes with a Collateral Credit-Linkage feature, following a Credit Event, or certain early redemption events such as a disruption events specified in the relevant Conditions and Terms for those Notes. Early redemption may result in Noteholders receiving a lower return on investment and in some circumstances may result in a loss of part or all of their investment. Prospective investors should consider reinvestment risk in light of other investments available at that time.

Risk of automatic early redemption (Knock-out risk)

In relation to certain types of Notes, the Notes will be automatically redeemed prior to their maturity if certain conditions specified in the applicable Final Terms are met. Notes of this type have an uncertain maturity date. Certain types of Notes may also be automatically redeemed early if a specified trigger is breached during a specified period or on a specified date or dates. If an Underlying Asset performs poorly, Noteholders may receive little or no interest during the tenor of the Notes and/or receive low or

even zero return at maturity, and in some circumstances may result in a loss of part or all of their investment. Prospective investors should consider reinvestment risk in light of other investments available at that time.

Early redemption upon Hedging Event

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

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

Early redemption upon Illegality Event

The Issuer will be entitled to redeem the Notes in whole but not in part upon the occurrence of any Illegality Event, i.e. event or circumstance that would make it unlawful or impracticable for the Issuer to enter or maintain a Series of Notes, or that increases the cost to the Issuer (as compared to the cost at the Issue Date) of entering into or maintain such Series of Notes, in each case, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power.

Fair market value of Notes redeemed prior to maturity

Several factors may affect the redemption value of the Notes prior to maturity, including: (i) the trading price of the Note; (ii) the value and volatility of the Underlying Asset; (iii) the time remaining to the Maturity Date; (iv) the probable range of returns upon redemption; (v) any change in interim interest rates and dividend yields in respect of the Underlying Asset or any component of the Underlying Asset (if applicable); (vi) any change in currency exchange rates; (vii) the depth of the market or liquidity of the Underlying Asset or any component of the Underlying Asset (if applicable); and (viii) any related transaction costs. The relationship between these factors is complex. If the applicable Final Terms specifies that the early redemption amount or optional early redemption amount of each Note will be the fair market value of that Note, then the Notes will be redeemed early at their fair market value as of the early redemption date less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes (all as determined by the Calculation Agent).

Partly paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest

bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Capital at risk

The Notes may or may not be capital protected. If the Note is not capital protected, there is no guarantee that the return that an investor receives on the Note upon its redemption will be greater than or equal to par. If the redemption amount of the Notes is to be determined by reference to the value or level of the Underlying Asset, any reduction in the redemption amount of the Underlying Asset may be expected to result in a reduction in the redemption amount of the Notes. Accordingly, it is possible that the return on Notes linked to such Underlying Asset may be considerably less than the amount paid by investors for such Notes and may be zero.

Unlike a savings account or similar investment with a low return and little or no capital risk, the Notes may potentially have a greater return but there may be a greater risk of loss of capital. The investor should take advice from an investment professional before purchasing such types of Notes.

Risks related to Dual Currency Notes

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (d) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Risks related to Rate-Linked Notes

Volatility of interest rates

Notes linked to an interest rate or a number of different interest rates can be volatile investments and investors should be aware of the possibility of significant changes in interest rates over the tenor of the Notes, which may not operate in their favour. In particular, if they are structured to include multipliers or other leverage factors/gearing, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Risks related to FX-Linked Notes

General

Investment in Notes which are linked to an emerging market currency or an exchange rate may entail significant risks which are not associated with a similar investment in a currency which is more familiar to prospective investors, such as US dollars or euro (the "**Base Currency**"). FX-Linked Notes may be issued in relation to which no interest is payable. The redemption amount of the Notes payable at scheduled maturity is linked to changes in the exchange rates of one or more currencies specified in the Final Terms (the "**Subject Currency**" or "**Subject Currencies**") against the Base Currency during the period specified therein, and may be subject to a minimum redemption amount per Note.

Volatility of exchange rates

Exchange rates can be volatile and unpredictable. Investors should be aware of the possibility of significant changes in rates of exchange between the Subject Currency and the Base Currency, such as a devaluation of the Subject Currency against the Base Currency resulting in a decrease in the value of interest payments and the principal payable on the Notes at maturity. As a consequence, the market value of the Notes may also fall.

Emerging market risk

Because of the special risks associated with investing in emerging markets, FX-Linked Notes which are linked to a Subject Currency of an emerging market should be considered speculative. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, may be affected adversely by trade barriers, foreign exchange controls (including taxes), managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also may be affected adversely by their economic, financial, military and political conditions and the supply and demand for the Subject Currencies in the global markets.

Non-deliverability of the Subject Currency

FX-Linked Notes which are payable in an emerging market currency may provide that, if the Subject Currency is not available at or about the time when a payment is due to be made under the Notes because of circumstances beyond the control of the Issuer, then the Issuer is entitled to make the payments in US dollars or Sterling or delay making the payment. These circumstances could include the imposition of exchange controls or a disruption in the currency market which prevents the Issuer from obtaining the Subject Currency.

Disruption Event

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

Risks related to Credit-Linked Notes***Correlation risk***

An investment in Credit-Linked Notes will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include exposure to the credit risk of the particular reference entity or basket of reference entities (and, where applicable, one or more specific reference obligations) in addition to that of the Issuer. Depending on the manner in which the particular series of Credit-Linked Notes is linked to the credit of a reference entity or basket of reference entities, a fall in the creditworthiness of a particular Reference Entity (or where perceptions worsen regarding the creditworthiness of a particular Reference Entity), may greatly reduce the market value of the related Credit-Linked Notes and any payments of principal or interest then due. If a series of Credit-Linked Notes is linked to a basket of reference entities, a credit deterioration in one reference entity may be strongly correlated with credit deterioration of other reference entities included in the basket, resulting in substantial decreases over a relatively short period of time in the market value of the related Credit-Linked Notes and any payments of principal or interest then due.

Nature of payments of principal and/or interest

In the event of the occurrence of certain circumstances (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Additional Credit Event) in relation to a Reference Entity or Reference Entities, in each case, as specified in the applicable Final Terms, the Issuer's obligation to pay principal or perform other obligations under the Notes may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Item(s) and/or to deliver the Reference Item(s). In addition interest bearing Credit Linked Notes may cease to bear interest on or prior to the date of occurrence of such circumstances.

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

Market price volatility

The market price of Credit-Linked Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

Physical delivery

Where the Final Terms of Credit-Linked Notes provide for physical delivery, the Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the Settlement Date or (b) assets which the Issuer and/or any affiliate has not received under the terms of any transaction entered into by the Issuer and/or such affiliate to hedge the Issuer's obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and as a result, the amount of principal payable on redemption. Assets to be delivered to Noteholders may include debt obligations in relation to which the Not Subordinated Obligation Characteristic is not applicable (i.e. the debt obligations are subordinated) - see "*Reference Obligations/Deliverable Obligations may consist of subordinated debt*" below.

No need for Issuer to suffer loss with respect to any Reference Entity

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

No information regarding Reference Entities

No investigation has been or will be made regarding any of the Reference Entities. Prospective investors in Credit-Linked Notes should obtain and evaluate information regarding the Reference Entities as if they were investing directly in the debt obligations of the Reference Entities. In addition, investors should understand that the historical performance of any specific debt obligation or the debt obligations of such Reference Entities generally is not predictive of future performance. As none of the Reference Entities has participated in the preparation of this Base Prospectus or any Final Terms, there can be no assurance that all material events or information regarding the Reference Entities have been disclosed at the time the Notes are issued. Subsequent disclosure of any such events or the failure to disclose material events concerning any of the Reference Entities could affect the redemption amount payable on the Notes or the general trading price of the Notes.

Reference Obligations/Deliverable Obligations may consist of subordinated debt

Any Reference Obligations/Deliverable Obligations specified in the applicable Final Terms for Credit-Linked Notes may include debt obligations in relation to which the Not Subordinated Obligation Characteristic is not applicable (i.e. the debt obligations are subordinated). Such subordinated debt obligations will rank junior to, and the value of such subordinated debt obligations may be less than that of, senior obligations in respect of the same issuer, and the value of such subordinated debt obligations may even be zero in circumstances where a Credit Event has occurred. The Issuer is under no fiduciary duty to select reference assets or deliverable assets of any particular value or that maximise value for Noteholders and, in the case of physical settlement of Credit-Linked Notes, may deliver any deliverable assets that meet the deliverable obligations characteristics specified in the applicable Final Terms. The applicable Final Terms will specify the relevant criteria in respect of any subordinated debt obligation that is a Reference Obligation, Deliverable Obligation or Valuation Obligation.

Risks related to Equity-Linked/Index-Linked Notes***Information***

No investigation has been made of the financial condition or creditworthiness of any issuer or issuers of any Underlying Asset(s) or component of the Underlying Asset(s) in connection with the issue of any

Equity-Linked Notes or Index-Linked Notes. Prospective investors in the Notes should obtain and evaluate the same information concerning the Underlying Asset(s) or the components of the Underlying Asset(s) and each such issuer as they would if they were investing directly in the Underlying Asset(s) and/or the components of the Underlying Asset(s). In addition, prospective investors should understand that the historical performance of the Underlying Asset(s) or any component of the Underlying Asset(s) is not, and should not be viewed as, predictive of future results. As no issuer whose shares comprise the Underlying Asset(s) has participated in the preparation of this Base Prospectus or any Final Terms, there can be no assurance that all events occurring prior to the relevant Issue Date of the Notes that would affect the price of such Underlying Asset(s) have been disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning any company whose shares comprise the Underlying Asset(s) could affect the trading price or redemption amount of the Notes.

Disrupted Days

Prospective investors in the Equity-Linked Notes/Index-Linked Notes should note that, if any relevant valuation day is a Disrupted Day, as determined by the Calculation Agent (as defined in Part E - Equity-Linked Notes/Index-Linked Notes), such valuation day may be postponed and, after a certain number of days, the Calculation Agent may determine its good faith estimate of the price of the relevant Share, Index or Basket that would have prevailed at that time were it not for the Disrupted Day. Such good faith estimate may differ from the actual price, value or level that would have been obtained on an exchange or from a public source, and may result in a loss to the investors.

Certain disruption events or other events may occur in relation to Equity-Linked Notes/Index-Linked Notes that result in an adjustment being made to the Notes or the price, value or level of the Underlying Asset or may result in the early redemption of the Notes at their fair market value (as mentioned above).

Risks related to Inflation-Linked Notes

General

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

Volatility of inflation rates

Inflation rates can be volatile and unpredictable. Investors should be aware of the possibility of significant changes in inflation rates resulting in a decrease in the value of interest payments and the principal payable on the Notes at maturity. As a consequence the market value of the Notes may also fall.

Disruption Event

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

Risks related to Commodity-Linked Notes/Commodity Index-Linked Notes

Factors affecting the performance of both Commodities and Commodity Indices

Commodities comprise physical commodities, which need to be stored and transported, and commodity contracts, which are agreements either to buy or sell a set amount of a physical commodity at a predetermined price and delivery period (which is generally referred to as a delivery month), or to make and receive a cash payment based on changes in the price of the physical commodity.

Commodity contracts may be traded on regulated specialised futures exchanges (such as futures contracts) or may be traded directly between market participants "over-the-counter" (such as swaps and

forward contracts) on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation.

The performance of commodity contracts are correlated with, but may be different to, the performance of physical commodities. Commodity contracts are normally traded at a discount or a premium to the spot prices of the physical commodity. The difference between the spot prices of the physical commodities and the futures prices of the commodity contracts, is, on one hand, due to adjusting the spot price by related expenses (warehousing, transport, insurance, etc.) and, on the other hand, due to different methods used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets.

The performance of a commodity, and consequently the corresponding commodity contract, is dependent upon various factors, including supply and demand, liquidity, weather conditions and natural disasters, direct investment costs, location and changes in tax rates as set out in more detail below. Commodity prices are more volatile than other asset categories, making investments in commodities riskier and more complex than other investments.

Supply and demand. The planning and management of commodities supplies is very time-consuming. This means that the scope for action on the supply side is limited and it is not always possible to adjust production swiftly to take account of demand. Demand can also vary on a regional basis. Transport costs for commodities in regions where these are needed also affect their prices. The fact that some commodities take a cyclical pattern, such as agricultural products which are only produced at certain times of the year, can also result in major price fluctuations.

Liquidity. Not all commodities markets are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a few market participants in the commodities markets means that speculative investments can have negative consequences and may distort prices.

Weather conditions and natural disasters. Unfavourable weather conditions can influence the supply of certain commodities for the entire year. This kind of supply crisis can lead to severe and unpredictable price fluctuations. Diseases and epidemics can also influence the prices of agricultural commodities.

Direct investment costs. Direct investments in commodities involve storage, insurance and tax costs. Moreover, no interest or dividends are paid on commodities. The total returns from investments in commodities are therefore influenced by these factors.

Governmental programmes and policies, national and international political, military and economic events and trading activities in commodities and related contracts. Commodities are often produced in emerging market countries, with demand coming principally from industrialised nations. The political and economic situation is however far less stable in many emerging market countries than in the developed world. They are generally much more susceptible to the risks of rapid political change and economic setbacks. Political crises can affect purchaser confidence, which can as a consequence affect commodity prices. Armed conflicts can also impact on the supply and demand for certain commodities. It is also possible for industrialised nations to impose embargos on imports and exports of goods and services. This can directly and indirectly impact commodity prices. Furthermore, numerous commodity producers have joined forces to establish organisations or cartels in order to regulate supply and influence prices.

Changes in tax rates. Changes in tax rates and customs duties may have a positive or a negative impact on the profitability margins of commodities producers. When these costs are passed on to purchasers, these changes will affect prices.

These factors may affect in varying ways the value of a Note linked to a commodity or a commodity index.

Factors affecting the performance of commodity indices

Commodity indices track the performance of a synthetic production-weighted basket of commodity contracts on certain physical commodities. The level of a commodity index replicates an actual investment in commodity contracts, and therefore goes up or down depending on the overall performance of this weighted basket of commodity contracts. Although commodity indices track the performance of the commodity markets, in a manner generally similar to the way in which an index of equity securities

tracks the performance of the share market, there are important differences between a commodity index and an equity index. First, an equity index typically weights the shares in the index based on market capitalisation, while the commodities included in a commodity index are typically, though not always, weighted based on their world production levels and the dollar value of those levels with the exception any sub-index of a commodity index based upon such sub-index. Second, unlike shares, commodity contracts expire periodically and, in order to maintain an investment in commodity contracts, it is necessary to liquidate such commodity contracts before they expire and establish positions in longer-dated commodity contracts. This feature of a commodity index, which is discussed below – see risk factor "*Exposure to "Rolling" and its impact on the performance of a Commodity Index*", has important implications for changes in the value of a commodity index. Finally, the performance of a commodity index is dependent upon the macroeconomic factors relating to the commodities that underpin the commodities contracts included in such commodity index, such as supply and demand, liquidity, weather conditions and natural disasters, direct investment costs, location and changes in tax rates – see the risk factor, "*Factors affecting the performance of both Commodities and Commodity Indices*". The performance of commodity contracts in one sector may offset the performance of commodity contracts in another sector.

While holding an inventory of physical commodities may have certain economic benefits (for example, a refinery could use a reserve of crude oil for the continuation of its operations), it also poses administrative burdens and costs, including those arising from the need to store or transport physical commodities. These requirements and costs may prove unattractive to investors who are interested solely in the price movement of commodities. Commodity contracts permit an investor to obtain exposure to the prices of commodities without directly incurring these requirements and costs. However, an investor in commodity contracts, or in an index of commodity contracts, can be indirectly exposed to these costs, which may be reflected in the prices of the commodity contracts and therefore in the level of a commodity index. In addition, the fact that commodity contracts have publicly available prices allows calculation of an index based on these prices. The use of commodity contracts, therefore, allows the index sponsor, to separate the exposure to price changes from the ownership of the underlying physical commodity, and thus allow participation in the upside and downside movement of commodity prices independently of the physical commodity itself.

Exposure to risk that if the price of the underlying physical commodities increases, the level of the Commodity Index will not necessarily also increase

If the price of the underlying physical commodities increases, the level of the commodity index will not necessarily also increase for two reasons. The redemption amount payable on Notes that reference a commodity index is linked to the performance of such commodity index, which in turn tracks the performance of the basket of commodity contracts included in such commodity index, rather than individual physical commodities themselves. Changes in the prices of commodity contracts should generally track changes in the prices of the underlying physical commodities, but, as described above, the prices of commodity contracts might from time to time move in ways or to an extent that differ from movements in physical commodity prices. Therefore, the prices of a particular commodity may go up but the level of the commodity index may not change in the same way. Second, because commodity contracts have expiration dates – i.e. dates upon which trading of the commodity contract ceases, there are certain adjustments that need to be made to the commodity index, in order to retain an investment position in the commodity contracts. These adjustments, which are described below and primarily include the mechanic of "rolling" may have a positive or negative effect on the level of the commodity index. This feature of a commodity index is discussed below – see risk factor, "*Exposure to "Rolling" and its impact on the performance of a Commodity Index*". As a result, these adjustments may, in certain instances, cause a discrepancy between the performance of the commodity index, and the performance of the commodity contracts underlying such commodity index. Accordingly, purchasers in Notes that reference commodity indices may receive a lower payment upon redemption of such Notes than such purchaser would have received if he or she had invested directly in commodities underlying such commodity indices, or a Note whose redemption amount was based upon the spot price of physical commodities or commodity contracts that were scheduled to expire on the maturity date of the Notes.

Exposure to "Rolling" and its impact on the performance of a Commodity Index(i) *"Rolling"*

Since any commodity contract has a predetermined expiration date on which trading of the commodity contract ceases, holding a commodity contract until expiration will result in delivery of the underlying physical commodity or the requirement to make or receive a cash settlement. "Rolling" the commodity contracts means that the commodity contracts that are nearing expiration (the "**near-dated commodity contracts**") are sold before they expire and commodity contracts that have an expiration date further in the future (the "**longer-dated commodity contracts**") are bought. This would allow an actual investor to maintain an investment position without receiving delivery of physical commodities or making or receiving a cash settlement. As commodity indices replicate an actual investment in commodity contracts, it takes into account the need to roll the commodity contracts included in such commodity index. Specifically, as a near-dated commodity contract approaches expiration, the commodity index is calculated as if the near-dated commodity contract is sold and the proceeds of that sale are used to purchase a longer-dated commodity contract of equivalent value in the delivery month applicable for such commodity contract included in such commodity index.

(ii) *"Backwardation"*

When the price of the near-dated commodity contract is greater than the price of the longer-dated commodity contract, the market for such contracts is referred to as in "backwardation". If the rolling process occurs when the price of a commodity contract is in backwardation, this results in a greater quantity of the longer-dated commodity contract being acquired for the same value. Rolling contracts in a backwardated market can (putting aside other considerations) create a "roll yield".

(iii) *"Contango"*

When the price of the near-dated commodity contract is lower than the price of the longer-dated commodity contract, the market for such contracts is referred to as in "contango". If the rolling process occurs when the price of a commodity contract is in contango, this results in a smaller quantity of the longer-dated commodity contract being acquired for the same value. Rolling contracts in a contango market can (putting aside other considerations) result in negative "roll yields" which could adversely affect the level of a commodity index, tied to that contract.

(iv) *"Rolling" can affect a commodity index in two ways.*

Firstly, if the commodity index, synthetically owns more commodity contracts as a result of the rolling process, albeit at a lower price (backwardation), the gain or loss on the new positions for a given movement in the prices of the commodity contracts will be greater than if the commodity index, had owned the same number of commodity contracts as before the rolling process. Conversely, if the commodity index synthetically owns fewer commodity contracts as a result of the rolling process, albeit at a higher price (contango), the gain or loss on the new positions for a given movement in the prices of the commodity contracts will be less than if the commodity index, had owned the same number of commodity contracts as before the rolling process. These differentials in the quantities of contracts sold and purchased may have a positive or negative effect on the level of the commodity index (measured on the basis of its dollar value).

Secondly, in a contango market, and in the absence of significant market changes, the prices of the longer-dated commodity contracts which the commodity index, synthetically buys and holds are expected to, but may not, decrease over time as they near expiry. The expected decrease in price of these longer-dated commodity contracts as they near expiry can potentially cause the level of the commodity index, to decrease. Conversely, in a backwardated market, and in the absence of significant market changes, the prices of the longer-dated commodity contracts are expected to, but may not, increase over time as they near expiry. The expected increase in price of these longer-dated commodity contracts as they near expiry can potentially cause the level of the commodity index to increase.

- (v) *The effects of "Rolling" may be mitigated.*

The trend in prices of the commodity contracts may mitigate the effects of rolling. Also, as the commodity index includes many different types of commodity contracts, each of those commodity contracts may be in a different type of market, either backwardation or contango, and therefore may offset any losses and gains attributable to rolling.

Market Disruption Events relating to Commodity-Linked Notes/Commodity Index-Linked Notes

If a Market Disruption Event (as defined in Part G - Commodity-Linked Notes/Commodity-Index Linked Notes) occurs then:

- (i) the Calculation Agent will determine if such event has a material effect on the Notes and, if so, will calculate the relevant Interest Amount and/or make another relevant calculation using, in lieu of a published price for the relevant commodity or commodity index, the price for that commodity or commodity index as at the time specified on the relevant Pricing Date, as determined by the Calculation Agent taking into consideration the latest available quotation for such commodity or commodity index and any other information that in good faith it deems relevant; or
- (ii) unless Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the relevant Final Terms, on giving notice to Noteholders, the Issuer will redeem, the Notes, and pay in respect of each Note, an amount equal to the fair market value of such Notes less any Associated Hedging Costs, all as determined by the Calculation Agent in its sole and absolute discretion; or
- (iii) where Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the relevant Final Terms, the Calculation Agent will calculate the fair market value of each Note, taking into account the Market Disruption Event less any Associated Hedging Costs (the "**Calculated Market Disruption Amount**") as soon as practicable following the occurrence of the Market Disruption Event (the "**Calculated Market Disruption Amount Determination Date**") and, on the Maturity Date, shall redeem each Note at an amount calculated by the Calculation Agent equal to the Calculated Market Disruption Amount plus interest accrued from and including the Calculated Additional Market Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time. Consequently the occurrence of a Market Disruption Event in relation to a commodity or commodity index may have an adverse effect on the value or liquidity of the Notes.

If an issue of Commodity-Linked Notes includes provisions dealing with the occurrence of a Market Disruption Event on a Pricing Date or any other relevant date and the Calculation Agent determines that a Market Disruption Event has occurred or exists on such Pricing Date or any other relevant date, any consequential postponement of the Pricing Date or any other relevant date or any alternative provisions for valuation provided in any Notes may have an adverse effect on the value and liquidity of such Notes. The occurrence of such a Market Disruption Event to any commodity or commodity index comprising a basket may also have such an adverse effect on Notes related to such basket.

Risks related to certain types of Notes

In addition to the risks set out above, certain types of Notes may be subject to certain specific risks, including the following:

Inverse Floater Rate-Linked Notes

Inverse Floater Rate-Linked Notes are Rate-Linked Notes which provide for floating interest payments periodically throughout the life of the Notes. Typically, Floater Rate-Linked Notes have a rate of interest equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The rate of interest, on the basis of which the interest amount is determined, is therefore linked inversely to the performance of one or more reference rates specified in the applicable Final Terms. Accordingly, if the reference rate increases, the rate of interest, and hence the interest amount, will decrease as a higher rate is deducted from the fixed rate. Typically, the market values of such Notes are more volatile than the market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floater Rate-Linked Notes are more volatile because an increase in the

reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

In addition, the determination of the rate of interest and interest amount may be subject to a Minimum Rate of Interest and/or a Maximum Rate of Interest and may further be subject to a leverage factor (the "**Gearing**"). The Final Terms may specify a Gearing that is greater than 100 per cent., in which case, the impact of the specified Reference Rate (on the basis of which the rate of interest is determined) on the Rate of Interest will be greater than a one-for-one basis, and will therefore increase the effect of the positive or negative performance, as applicable. If the Gearing is less than 100 per cent., the impact of the Reference Rate on the Rate of Interest will be less than a one-for-one basis, and will therefore decrease the effect of the positive or negative performance of the underlying Reference Rate, as applicable.

Steeper Rate-Linked Notes

Steeper Rate-Linked Notes are Rate-Linked Notes that provide for either (a) floating interest payments; or (b) fixed interest payments and floating interest payments; periodically throughout the life of the Notes. The rate of interest, and hence the interest amount payable, in relation to any Interest Period will be dependent upon one or more reference rates specified in the applicable Final Terms. The rate of interest will depend upon, *inter alia*, the difference between two floating Reference Rates. Therefore, the rate of interest (and hence the interest amount that the investor receives) is affected by movements in any of the underlying reference rates. Accordingly, the investor receives a higher return if the difference between the two floating rates is greater, i.e. one floating rate performs positively and the other floating rate performs negatively. If both floating rates perform similarly, the rate of interest is much lower. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms).

In addition, the determination of the Rate of Interest may be subject to a leverage factor (the "**Gearing**"). The Final Terms may specify a Gearing that is greater than 100 per cent., in which case, the impact of the specified Reference Rates (on the basis of which the rate of interest is determined) on the rate of interest will be greater than a one-for-one basis, and will therefore increase the effect of the positive or negative performance, as applicable. If the Gearing is less than 100 per cent., the impact of the Reference Rates (on the basis of which the rate of interest is determined) on the rate of interest will be less than a one-for-one basis, and will therefore decrease the effect of the positive or negative performance of the Reference Rates, as applicable.

YoY Inflation-Linked Notes

YoY Inflation-Linked Notes are Inflation-Linked Notes which may be scheduled to provide either (a) fixed; (b) floating; or (c) inflation-linked interest payments at regular intervals throughout the life of the Notes, as specified in the applicable Final Terms. In case of (c), the rate of interest payable on the YoY Inflation-Linked Notes shall be linked to the change in the levels of the underlying inflation Index from one scheduled trading day to the next specified scheduled trading day such days to be set out in the applicable Final Terms.

The redemption amount of the YoY Inflation-Linked Notes will be either (a) at par, or (b) inflation-linked, as specified in the applicable Final Terms. In case of (b), the amount payable at maturity in respect of the YoY Inflation-Linked Notes shall be linked to the change in the levels of the underlying inflation index from the start of the observation period to the final day of the observation period, unless otherwise specified in the applicable Final Terms.

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

The determination of the Rate of Interest for such Notes may be subject to a Minimum Rate of Interest and/or a Maximum Rate of Interest and may further be subject to a leverage factor (the "**Interest Gearing**"). The Final Terms may specify an Interest Gearing that is greater than 100 per cent., in which case, the impact of the performance of the underlying inflation index (to which the Rate of Interest is linked) on the Rate of Interest will be greater than a one-for-one basis, and will therefore increase the effect of the positive or negative performance, as applicable. In case of a negative performance, the

investor may suffer a loss that is higher in proportion to the negative performance of the index. If the Interest Gearing is less than 100 per cent., the impact of the performance of the index (to which the Rate of Interest is linked) on the Rate of Interest will be less than a one-for-one basis, and will therefore decrease the effect of the positive or negative performance of the underlying inflation index, as applicable. In case of a positive performance, the investor will not receive the full impact of the positive performance of the underlying inflation index.

The determination of the final redemption amount may be subject to a Minimum Redemption Amount and/or a Maximum Redemption Amount and may further be subject to a leverage factor (the "**Redemption Gearing**"). The Final Terms may specify a Redemption Gearing that is greater than 100 per cent., in which case, the impact of the performance of the underlying inflation index (to which the redemption amount is linked) on the redemption amount will be greater than a one-for-one basis, and will therefore increase the effect of the positive or negative performance, as applicable. In case of a negative performance, the investor may suffer a loss that is higher in proportion to the negative performance of the underlying inflation index. If the Redemption Gearing is less than 100 per cent., the impact of the performance of the underlying inflation index (to which the Redemption Amount is linked) on the redemption amount will be less than a one-for-one basis, and will therefore decrease the effect of the positive or negative performance of the underlying inflation index, as applicable. In case of a positive performance, the investor will not receive the full impact of the positive performance of the underlying inflation index.

Capital Less Down and In Barrier Plus Callable/Kickout Upside Notes

In the case of Notes that are described as Capital Less Down and In Barrier Plus Callable/Kickout Upside Notes the investor's entire capital is at risk. Such Notes may, for the avoidance of doubt, be Capital Less Down and In Barrier Plus Callable/Kickout Upside Equity-Linked Notes, Capital Less Down and In Barrier Plus Callable/Kickout Upside Index-Linked Notes, Capital Less Down and In Barrier Plus Callable/Kickout Upside Commodity-Linked Notes, Capital Less Down and In Barrier Plus Callable/Kickout Upside Commodity Index-Linked Notes or Capital Less Down and In Barrier Plus Callable/Kickout Upside FX-Linked Notes. The return on the Notes will be dependent on (i) the final value or level of the Underlying Asset and (ii) whether the value or level of the Underlying Asset is greater than (or greater than or equal to) a specified barrier on a specified date or dates or during a specified period (including at any time on any trading day or business day (as applicable) during such period, if so specified in the applicable Final Terms) (the "**Barrier Condition**"). If (i) the Barrier Condition is satisfied, or (ii) the Barrier Condition is not satisfied and the final level or value of the Underlying Asset is greater than (or greater than or equal to) the initial level or value of the Underlying Asset, the return to investors on maturity will be either:

- (a) a return of principal plus the lesser of (A) a cap, if such a cap is specified in respect of capped Notes in the applicable Final Terms and (B) the upside of the Underlying Asset multiplied by a leverage factor, if applicable, as set out in the applicable Final Terms

OR

- (b) a specified percentage return, a ("**Digital Return**").

If (i) the Barrier Condition is not satisfied, and (ii) the final level or value of the Underlying Asset is less than (or less than or equal to) the initial level or value of the Underlying Asset, investors will lose their right to the return of all their capital at maturity and will suffer a reduction of their capital in proportion with the negative performance of the Underlying Asset, in which case investors would be fully exposed to any downside of the Underlying Asset during such specified period. The determination of the Final Redemption Amount payable at maturity may further be multiplied by a leverage factor, in which case the loss that the investors suffer may be greater than on a one-for-one basis in proportion with the decline of the level or value of the Underlying Asset below the specified barrier.

If a leverage factor is specified in the applicable Final Terms, the determination of the returns an investor receives will further depend on such leverage factor. In the case of a positive performance of the Underlying Asset, if the leverage factor is less than 100 per cent., investors would not be exposed to the full upside (if any) of the Underlying Asset. Investors will only be exposed to the full upside (if any) of the Underlying Asset if the leverage factor is 100 per cent. or more. In the case of a negative performance of the Underlying Asset, if the leverage factor is more than 100 per cent., investors would have a greater

exposure to the negative performance of the Underlying Asset. Investors will only have a reduced exposure to the negative performance of the Underlying Asset if the leverage factor is less than 100 per cent. Depending on the performance of the Underlying Asset, investors may receive a low return on their initial investment in the Notes. In respect of capped Notes, the exposure to the performance of the Underlying Asset will be limited and the upside to investors will be limited.

If the level or value of the Underlying Asset is either (a) greater than (or greater than or equal to) certain specified levels or prices on certain specified dates or (b) within a specified range, the Issuer will automatically redeem the Notes. On such automatic early redemption, Noteholders will receive an automatic early redemption amount, as specified in the applicable Final Terms, which amount may be less than what Noteholders would have received on maturity if the Notes had not redeemed early. If the level or value of the Underlying Asset is not at the specified trigger level or value on a relevant date for automatic early redemption, the Notes will not be redeemed early pursuant to such provisions and Noteholders will forgo such automatic early redemption amount, which may have been higher than the amount they ultimately receive on maturity (which amount may represent a loss for the investor, as set out in the preceding paragraph).

Capital Plus Callable/Kickout Upside Notes

In the case of Notes that are described as Capital Plus Callable/Kickout Upside Notes, which may, for the avoidance of doubt, be Capital Plus Callable/Kickout Upside Equity-Linked Notes, Capital Plus Callable/Kickout Upside Index-Linked Notes, Capital Plus Callable/Kickout Upside Commodity-Linked Notes, Capital Plus Callable/Kickout Upside Commodity Index-Linked Notes or Capital Plus Callable/Kickout Upside FX-Linked Notes, if the level or value of the Underlying Asset is either (i) greater than (or greater than or equal to) a certain specified level or value on certain specified dates, or (ii) within a specified range on certain specified dates or during a specified period (including at any time on any trading day or business day (as applicable) during such period, if so specified in the applicable Final Terms), the Issuer will automatically redeem the Notes. On such automatic early redemption, the investors will receive an automatic early redemption amount, as specified in the applicable Final Terms, which may be less than what Noteholders would have received on maturity if the Notes had not redeemed early. If the level or value of the Underlying Asset is not at the specified trigger level or value on a relevant date for automatic early redemption, the Notes will not be redeemed early pursuant to such provisions and the Noteholders will forgo such automatic early redemption amount, which may have been higher than the amount they ultimately receive on maturity.

The return to investors at maturity will be a return of principal plus the lesser of (A) a cap, if such a cap is specified in respect of capped Notes in the applicable Final Terms and (B) the upside of the Underlying Asset multiplied by a leverage factor, if applicable, as set out in the applicable Final Terms. The leverage factor may be less than 100 per cent., in which case investors would not be exposed to the full upside (if any) of the Underlying Asset. Investors will only be exposed to the full upside (if any) of the Underlying Asset if the leverage factor is 100 per cent. or more. Depending on the performance of the Underlying Asset, investors may receive a low return on their initial investment in the Notes. In respect of capped Notes, the exposure to the performance of the Underlying Asset will be limited and the upside to investors will be limited.

Capital Plus Minimum Upside Plus Capped/Uncapped Notes

In the case of Notes that are described as Capital Plus Minimum Upside Plus Capped/Uncapped Notes, which may, for the avoidance of doubt, be Capital Plus Minimum Upside Plus Capped/Uncapped Equity-linked Notes, Capital Plus Minimum Upside Plus Capped/Uncapped Index-Linked Notes, Capital Plus Minimum Upside Plus Capped/Uncapped Commodity-Linked Notes, Capital Plus Minimum Upside Plus Capped/Uncapped Commodity Index-Linked or Capital Plus Minimum Upside Plus Capped/Uncapped FX-Linked Notes, the return to investors on maturity will be a return of principal plus the greater of:

- (i) a specified minimum return (if so specified in the applicable Final Terms); and
- (ii) the lesser of:
 - (A) the upside of the Underlying Asset multiplied by a leverage factor, if applicable, as set out in the applicable Final Terms; and

(B) a cap, if such a cap is specified in respect of capped Notes in the applicable Final Terms.

The leverage factor may be less than 100 per cent., in which case investors would not be exposed to the full upside (if any) of the Underlying Asset. Investors will only be exposed to the full upside (if any) of the Underlying Asset if the leverage factor is 100 per cent. or more. Depending on the performance of the Underlying Asset, investors may receive a low return on their initial investment in the Notes. In respect of capped Notes, the exposure to the performance of the Underlying Asset will be limited and the upside to investors will be limited.

Capital Less Down and In Barrier Plus Upside Capped/Uncapped Notes

In the case of Notes that are described as Capital Less Down and In Barrier Plus Upside Capped/Uncapped Notes the investor's entire capital is at risk. Such Notes may, for the avoidance of doubt, be Capital Less Down and In Barrier Plus Upside Capped/Uncapped Equity-Linked Notes, Capital Less Down and In Barrier Plus Upside Capped/Uncapped Index-Linked Notes, Capital Less Down and In Barrier Plus Upside Capped/Uncapped Commodity-Linked Notes, Capital Less Down and In Barrier Plus Upside Capped/Uncapped Commodity Index-Linked Notes or Capital Less Down and In Barrier Plus Upside Capped/Uncapped FX-Linked Notes. The return on the Notes will be dependent on (i) the final level or value of the Underlying Asset and (ii) whether the level or value of the Underlying Asset is greater than (or greater than or equal to) a specified barrier, on a specified date or dates or during a specified period (including at any time on any trading day or business day (as applicable) during such period, if so specified in the applicable Final Terms) (the "**Barrier Condition**"). If (i) the Barrier Condition is satisfied, or (ii) the Barrier Condition is not satisfied and the final level or value of the Underlying Asset is greater than (or greater than or equal to) the initial level or value of the Underlying Asset, the return to investors on maturity will be either:

(1) a return of principal plus the lesser of (A) the upside of the Underlying Asset multiplied by a leverage factor, if applicable, as set out in the applicable Final Terms and (B) a cap, if such a cap is specified in respect of capped Notes in the applicable Final Terms; OR

(2) a specified percentage return (a "**Digital Return**") specified in the applicable Final Terms.

In the case of paragraph (1) above, the leverage factor may be less than 100 per cent., in which case investors would not be exposed to the full upside (if any) of the Underlying Asset. Investors will only be exposed to the full upside (if any) of the Underlying Asset if the leverage factor is 100 per cent. or more. Depending on the performance of the Underlying Asset, investors may receive a low return on their initial investment in the Notes. In respect of capped Notes, the exposure to the performance of the Underlying Asset will be limited and the upside to investors will be limited.

If (i) the Barrier Condition is not satisfied, and (ii) the final level or value of the Underlying Asset is less than (or less than or equal to) the initial level or value of the Underlying Asset, investors will lose their right to return of all their capital at maturity and will suffer a reduction of their capital in proportion with the decline of the level or value of the Underlying Asset during a specified period (which may coincide with the term of the Notes), in which case investors would be fully exposed to any downside of the Underlying Asset during such specified period.

Capital Plus Cliquet With Global Floor Notes

In the case of Notes that are described as Capital Plus Cliquet With Global Floor Notes, which, for the avoidance of doubt, may be Capital Plus Cliquet With Global Floor Equity-Linked Notes or Capital Plus Cliquet With Global Floor Index-Linked Notes, the return on the Notes is determined by reference to the aggregate of the performances of an Underlying Asset over several periods, rather than the overall performance of the Underlying Asset during the tenor of the Notes. The measured return for each period is subject to a maximum and a minimum. To the extent the return calculated on the basis of the performance of the Underlying Asset in a given period exceeds the maximum return for such period, investors will not benefit from such positive performance in excess of such specified maximum. The return to investors will therefore tend to be higher if a positive performance by the Underlying Asset is spread over several periods, and any negative performance is concentrated to a relatively small number of periods and *vice versa*. Because of the way the maximum and minimum returns work in each period, the return on the Notes may differ substantially from the performance of the Underlying Asset over the tenor of the Notes. For example, even if the level of the Underlying Asset at maturity is substantially higher

than it was on the Issue Date, investors could still forgo any return on the Notes (subject to any global floor specified in the Final Terms) if the performance of the Underlying Asset was poor over several periods.

Capital Less Down Plus Cliquet Global Floor Notes

In the case of Notes that are described as Capital Less Down Plus Cliquet Global Floor Notes, which, for the avoidance of doubt, may be Capital Less Down Plus Cliquet Global Floor Equity-Linked Notes or Capital Less Down Plus Cliquet Global Floor Index-Linked Notes, the investor's entire capital is at risk. For Capital Less Down Plus Cliquet Global Floor Notes, the return on the Notes is determined with reference to (i) the performance of the Underlying Asset measured over several periods, rather than the overall performance of the Underlying Asset during the tenor of the Notes, and (ii) whether the level or value of the Underlying Asset is greater than (or greater than or equal to) a specified barrier, on a specified date or dates or during a specified period (including at any time on any trading day or business day (as applicable) during such period, if so specified in the applicable Final Terms) (the "**Barrier Condition**").

If (i) the Barrier Condition is satisfied, or (ii) the Barrier Condition is not satisfied, and the final level or value of the Underlying Asset is greater than (or greater than or equal to) the initial level or value of the Underlying Asset, the return to investors on maturity will be the aggregate of the performances of an Underlying Asset over several periods, set out in the applicable Final Terms. The measured return for each period is subject to a maximum and a minimum. To the extent the return calculated on the basis of the performance of the Underlying Asset in a given period exceeds the maximum return for such period, investors will not benefit from such positive performance in excess of such specified maximum. The return to investors will therefore tend to be higher if a positive performance by the Underlying Asset is spread over several periods, and any negative performance is concentrated to a relatively small number of periods and *vice versa*. Because of the way the maximum and minimum returns work in each period, the return on the Notes may differ substantially from the performance of the Underlying Asset over the term of the Notes. For example, even if the level of the Underlying Asset at maturity is substantially higher than it was on the Issue Date, investors could still forgo any return on the Notes (subject to any global floor specified in the Final Terms) if the performance of the Underlying Asset was poor over several periods.

If (i) the Barrier Condition is not satisfied, and (ii) the final level or value of the Underlying Asset is less than (or less than or equal to) the initial level or value of the Underlying Asset, investors will lose their right to return of all their capital at maturity and will suffer a reduction of their capital in proportion with the decline of the level or value of the Underlying Asset during a specified period (which may coincide with the term of the Notes), in which case investors would be fully exposed to any downside of the Underlying Asset during such specified period.

Defensive Returns Notes

In the case of Notes that are described as Defensive Returns Notes, all or part of the investor's capital is at risk. Such Notes may, for the avoidance of doubt, be Defensive Returns Equity-Linked Notes, Defensive Returns Index-Linked Notes, Defensive Returns Commodity-Linked Notes, Defensive Returns Commodity Index-Linked Notes or Defensive Returns FX-Linked Notes.

On maturity, an investor in Defensive Returns Notes will receive a return based on the final level or value of an Underlying Asset as compared to the initial level or value of such Underlying Asset. Investors in the Defensive Returns Notes will receive at least a return of their initial investment if either of the following conditions are satisfied:

- (a) the final level or value of the Underlying Asset is greater than (or, if specified in Final Terms, greater than or equal to) a level or value specified in the applicable Final Terms (the "**Call Strike**"); or
- (b) the final level or value of the Underlying Asset is less than (or, if specified in the applicable Final Terms, less than or equal to) a level or value specified in the applicable Final Terms (the "**Put Strike**") but above the barrier level or value specified in the applicable Final Terms (the "**Barrier Level**").

The Call Strike will be a level or value greater than or equal to the initial level or value of the Underlying Asset. The Put Strike will be a level or value less than or equal to the initial level or value of the Underlying Asset.

The return that an investor in the Defensive Returns Notes receives in respect of paragraphs (a) or (b) above will be dependent on whether, in the case of paragraph (a) any of Call Gearing, a Call Cap or a Digital Return (each as described in more detail below under "*Risks related to Defensive Returns Notes if the final level or value of the Underlying Asset is greater than the Call Strike*") is specified in the applicable Final Terms; and, in the case of paragraph (b) any of Put Gearing, a Put Cap or a Digital Return (as described in more detail below under "*Risks related to Defensive Returns Notes if the final level or value of the Underlying Asset is less than the Put Strike*") is specified in the applicable Final Terms.

In the event that the final level or value of the Underlying Asset is between the Call Strike and the Put Strike, the amount that an investor receives (which may be more or less than their capital) will be dependent on whether Gearing (as described in more detail below under "*Risks in relation to Defensive Returns Notes if the final level or value of the Underlying Asset is between the Call Strike and the Put Strike*") is specified in the applicable Final Terms.

In the event that the final level or value of the Underlying Asset is less than the Barrier Level specified in the applicable Final Terms, the investor's capital will be at risk. The extent to which the investor's capital will be at risk is dependent on whether Barrier Gearing (as described in more detail below under "*Risks in relation to Defensive Returns Notes if the final level or value of the Underlying Asset is less than the specified barrier*") is specified in the relevant Final Terms.

Risks in relation to Defensive Returns Notes to which a Call Strike and/or a Put Strike are specified in the applicable Final Terms

If a Call Strike is specified in the applicable Final Terms, the investor will not receive any returns above their capital, even if the final level or value of the Underlying Asset is above its initial level or value, but below the Call Strike so specified. Similarly, if a Put Strike is specified in the applicable Final Terms, the investor will not receive any returns above their capital, and may even suffer a loss, if the final level or value of the Underlying Asset is below its initial level or value, but above the Put Strike so specified. The risks described in this paragraph are only applicable to investors who invest in Notes where the applicable Final Terms have specified such a Call Strike and/or a Put Strike and such investors may, in certain circumstances, receive returns that are less than investors in Notes to which these such levels are not applicable.

Risks related to returns from Defensive Returns Notes

Depending on the performance of the Underlying Asset (whether positive or negative), investors may receive a low return on their Notes or even lose their capital if certain conditions specified in the applicable Final Terms are met. If the level or value of the Underlying Asset, whether at maturity or at any other period specified in the applicable Final Terms as a period in which the Underlying Asset is observed, is not at or above the specified Barrier Level in the specified period, the investors may suffer a loss in capital even if the level or value of the Underlying Asset may have been higher at any other time during the lifetime of the Notes.

Risks related to Defensive Returns Notes if the final level or value of the Underlying Asset is greater than the Call Strike

If the final level or value of the Underlying Asset is greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Call Strike, investors in the Notes will receive either:

- (i) a return above the principal of the principal multiplied by the lesser of (A) the upside of such positive performance of the Underlying Asset multiplied by a leverage factor (the "**Call Gearing**"), as set out in the applicable Final Terms; and (B) a cap (the "**Call Cap**"), if specified in the applicable Final Terms. Thus, any returns linked to the positive performance of the Underlying Asset may only be payable if the final level or value of the Underlying Asset is greater than (or, if specified in the applicable Final Terms greater than or equal to) the Call Strike. If a Call Cap is specified, or in circumstances where the Call Gearing is less than 100 per cent.,

investors would not be exposed to the full upside (if any) of the performance of the Underlying Asset ; or

- (ii) a fixed return which shall be specified in the applicable Final Terms (the "**Digital Return**"),

in each case as specified in the applicable Final Terms.

Risks related to Defensive Returns Notes if the final level or value of the Underlying Asset is between the Call Strike and the Put Strike

If the final level or value of the Underlying Asset is (i) less than (or, if specified in the applicable Final Terms, less than or equal to) the Call Strike and (ii) greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Put Strike, investors in the Notes will receive an amount equal to the product of the principal and a leverage factor (the "**Gearing**"), as set out in the Final Terms. Thus, any returns linked to the performance (whether positive or negative) of the Underlying Asset may only be payable if the final level or value of the Underlying Asset is greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Call Strike or less than (or, if specified in the applicable Final Terms, less than or equal to) the Put Strike. The Gearing, if specified in the applicable Final Terms, may be greater or less than 100 per cent. In circumstances where the Gearing is specified in the applicable Final Terms as being less than 100 per cent., and the final level or value of the Underlying Asset is less than (or, if specified in the applicable Final Terms, less than or equal to) the Call Strike and greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Put Strike, the investor will suffer a loss of capital on the Notes.

Risks related to Defensive Returns Notes if the final level or value of the Underlying Asset is less than the Put Strike but greater than the specified barrier

If the final level or value of the Underlying Asset is less than (or, if specified in the applicable Final Terms less than or equal to) the Put Strike of the Underlying Asset, but greater than or equal to the specified Barrier Level, the investors in the Notes will receive either:

- (i) a return above the principal of the principal multiplied by the lesser of (A) the downside of the performance of the Underlying Asset (but expressed as a positive number) multiplied by a leverage factor (the "**Put Gearing**") as set out in the applicable Final Terms; and (B) a specified cap (if so specified in the applicable Final Terms) (the "**Put Cap**"). If a Put Cap is specified, or in circumstances where the Put Gearing is less than 100 per cent., investors would not be exposed to the full benefit (if any) of any negative performance of the Underlying Asset and the related returns (if any); or
- (ii) a fixed return which shall be specified in the applicable Final Terms (the "**Digital Return**"),

in each case as specified in the applicable Final Terms.

Risks related to Defensive Returns Notes if the final level or value of the Underlying Asset is less than the specified barrier

If the final level or value of the Underlying Asset is less than the specified Barrier Level, the investors in the Notes will suffer a loss of capital on the Notes in proportion with the decline of the level or value of Underlying Asset below the specified Barrier Level which may, if so specified in the applicable Final Terms, be multiplied by a leverage factor (the "**Barrier Gearing**"), as set out in the applicable Final Terms. The Barrier Gearing may be more than 100 per cent., in which case the loss that the investors suffer may be greater than on a one-for-one basis in proportion with the decline of the level or value of the Underlying Asset below the specified barrier.

Reverse Convertible Notes

In the case of Notes that are described as Reverse Convertible Notes, the investor's entire capital is at risk. Such Notes may, for the avoidance of doubt, be Reverse Convertible Equity-Linked Notes, Reverse Convertible Index-Linked Notes, Reverse Convertible Commodity-Linked Notes, Reverse Convertible Commodity Index-Linked Notes or Reverse Convertible FX-Linked Notes.

Reverse Convertible Notes are linked to the performance of an Underlying Asset specified in the applicable Final Terms, and are scheduled to provide fixed interest payments either at maturity of the Notes or periodically throughout the life of the Notes. The Final Redemption Amount of the Notes will depend upon the performance of the Underlying Asset, specified in the applicable Final Terms.

The Final Redemption Amount of the Notes may be either:

- (a) an amount linked to the final level or value of the Underlying Asset; or
- (b) a specified percentage return for each Note,

and will depend on whether certain conditions relating to the final level or value of the Underlying Asset in comparison to its initial level or value, as determined on the specified date or dates or during a specified period are satisfied, as specified in the Final Terms (which may be the level or value being at, higher than, or lower than a barrier) (the "**Barrier Conditions**").

If paragraph (a) above applies and the Underlying Asset has negative performance, the investors' return will be linked to that negative final level or value. In the case of a negative performance, the investors' entire capital may be at risk. If paragraph (b) above applies, the Final Redemption Amount will be a fixed amount for each Note, which will be expressed as percentage of the relevant Specified Denomination, as specified in the applicable Final Terms.

In addition, if the Final Redemption Amount is linked to the final level or value of the Underlying Asset, the Final Redemption Amount may have any of the following features:

- (a) it, or any of the components of the performance, may be subject to a cap (a maximum) or a floor (a minimum) in which case the Final Terms may specify a cap or a floor on the performance of the Underlying Asset, or any component of it; and/or
- (b) the return may be subject to a leverage factor.

In respect of capped Notes, the exposure to the performance of the Underlying Asset will be limited and the upside to investors will be limited.

If a leverage factor is specified in the applicable Final Terms and that leverage factor is greater than 100 per cent., the impact of the final level or value on the Final Redemption Amount will be greater than a one-for-one basis, and will therefore increase the effect of the positive or negative final performance, as applicable. If the leverage factor is less than 100 per cent., the impact of the final performance on the Final Redemption Amount will be less than a one-for-one basis, and will therefore decrease the effect of the positive or negative final level or value, as applicable.

N Barrier Coupon Notes

N Barrier Coupon Notes, which may, for the avoidance of doubt, be N Barrier Coupon Equity-Linked Notes, N Barrier Coupon Index-Linked Notes, N Barrier Coupon Commodity-Linked Notes, N Barrier Coupon Commodity Index-Linked Notes or N Barrier Coupon FX-Linked Notes, provide for interest to be paid in relation to any Interest Period in respect of the Notes only if the performance of the Underlying Asset fulfils certain criteria set out in the applicable Final Terms (each, a "**Barrier Condition**").

An Interest Amount in respect of the N Barrier Coupon Notes is payable if the level or value of the Underlying Asset, as applicable, as at the applicable coupon valuation date(s), coupon observation date(s) or coupon observation period(s) satisfies a specified Barrier Condition or multiple Barrier Conditions (a "**Payout Event**"). Each Interest Period relating to an Interest Payment Date may specify one or more Barrier Conditions in relation to a coupon valuation date, coupon observation date or coupon observation period, as applicable, and each Barrier Condition may have either (a) its own barrier level, or (ii) its own upper and lower limits (i.e. range), as specified in the applicable Final Terms against which the performance of the Underlying Asset is measured.

Each Barrier Condition will have an associated Interest Amount and, if the Calculation Agent determines that a Payout Event has occurred, the Interest Amount relating to the Barrier Condition that is satisfied will become payable. The total interest payable in respect of the Notes will be the aggregate of each Interest Amount payable (based on each of the individual Barrier Conditions met) plus a minimum

interest amount, if any, specified in the applicable Final Terms. Therefore, each Interest Period relating to an Interest Payment Date may have a corresponding Barrier Condition or multiple Barrier Conditions that differ from that applicable to any other Interest Period(s) and related Interest Payment Date(s).

If an applicable Barrier Condition or multiple Barrier Conditions are not met, a Noteholder may receive no Interest Amount in respect of the corresponding Interest Period. If none of the Barrier Conditions are met during the tenor of the Note, an investor may not receive any Interest Amount (other than the minimum interest amount payable, if so specified in the applicable Final Terms), and if no minimum interest amount is applicable, then the Noteholder may receive no interest payments at all. The number of Payout Events and the aggregate interest amount payable over the life of the N Barrier Coupon Notes are uncertain and therefore these Notes may not be suitable for investors who require regular income payments.

Range Accrual Notes

Range Accrual Notes, which may, for the avoidance of doubt, be Range Accrual Equity-Linked Notes, Range Accrual Index-Linked Notes, Range Accrual Rate-Linked Notes, Range Accrual FX-Linked Notes, Range Accrual Commodity-Linked Notes or Range Accrual Commodity Index-Linked Notes, provide for interest to be paid either (i) on interest payment dates occurring at regular intervals throughout the life of the Notes; or (ii) in a single amount at maturity, as specified in the Final Terms.

The amount of interest that an investor in the Notes receives is linked to the performance of an Underlying Asset specified in the applicable Final Terms and on how many actual days during the Interest Period ending on the interest payment date the level or value of the Underlying Assets remains within a range, (the upper and lower limit of which is specified in the applicable Final Terms). If the level or value of the Underlying Asset is below the lower limit or higher than the upper limit on some or all of the days in an interest period, the investor may receive low or even zero interest payments, respectively, for the relevant Interest Period. Noteholders should note that no interest accrues on days when the level or value of the Underlying Asset is outside of the range specified. The rate at which interest accrues may be a fixed rate, floating rate or other rate specified in the applicable Final Terms. Interest payable on the Notes is therefore also linked to the volatility of the level or value of the Underlying Asset. Range Accrual Notes may not be suitable for investors who require regular income payments.

DOCUMENTS INCORPORATED BY REFERENCE

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

1. the registration document (the "**Registration Document**") of the Issuer dated 13 June 2012;
2. the annual report (including the auditors' report and audited consolidated annual financial statements) for the financial year ended 31 March 2010 of the Issuer, which has previously been published and filed with the FSA;
3. the annual report (including the auditors' report and audited consolidated annual financial statements) for the financial year ended 31 March 2011 of the Issuer, which has previously been published and filed with the FSA;
4. the unaudited half yearly financial report of the Issuer (which has not been reviewed by the Issuer's auditors) for the six months ended 30 September 2011, which has previously been published and filed with the FSA; and
5. the amended preliminary unaudited consolidated financial information (which has not been reviewed by the Issuer's auditors) for the year ended 31 March 2012, which has previously been published and filed with the FSA.

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

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

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from (i) the registered office of the Issuer and from the specified offices of the Principal Paying Agent and (ii) the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html.

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

GENERAL TERMS AND CONDITIONS OF THE NOTES

*The following are the General Terms and Conditions (the "**Conditions**") of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto these Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Summary of Provisions Relating to the Notes in Global Form" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Investec Bank plc (the "**Issuer**") constituted by a principal trust deed dated 21 June 2012 (such principal trust deed as further modified and/or supplemented and/or restated from time to time, the "**Principal Trust Deed**") made between the Issuer and Deutsche Trustee Company Limited (the "**Trustee**", which expression shall include any successor as Trustee), as supplemented in relation to any Series of Secured Notes by a supplemental trust deed relating to the Collateral Pool (as defined below) securing such Series of Notes (such supplemental trust deed, as amended and/or supplemented and/or restated from time to time, the "**Supplemental Trust Deed**") and made between the Issuer, the Custodian (as defined below) and the Trustee.

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

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

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

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

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

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement dated 21 June 2012 (such agency agreement, as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, the Trustee and Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor agent) and the other paying agent named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), Deutsche Bank Luxembourg S.A. as registrar in relation to Registered Notes (the "**Registrar**", which expression shall include any additional or successor registrar) and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents), Deutsche Bank AG, London Branch as custodian (the "**Custodian**", which expression shall include any additional or successor custodian) with respect to Secured Notes and Deutsche Bank AG, London Branch as verification agent (the

"**Verification Agent**", which expression shall include any additional or successor verification agent) with respect to Secured Notes. The Issuer will also appoint Investec Bank plc as calculation agent (the "**Calculation Agent**", which expression shall include any successor calculation agents) to carry out any necessary calculations or valuations in respect of the Notes (unless specified otherwise). In addition, the Issuer has entered into an agency agreement with Computershare Investor Services plc and the Trustee dated 21 June 2012 (such agency agreement, as amended and/or supplemented and/or restated from time to time, the "**Computershare Agency Agreement**") appointing the latter as registrar and paying agent (the "**CREST Registrar**", which expression shall include any additional or successor registrar) with respect to Uncertificated Registered Notes.

Interest-bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes, Uncertificated Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the "**Noteholders**", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the "**Receiptholders**") and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

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

Copies of the Principal Trust Deed, the Computershare Agency Agreement and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee, being at Winchester House, 1 Great Winchester Street, London EC2N 2DB and at the specified office of each of the Principal Paying Agent, the Registrar, the CREST Registrar and any other Paying Agents and Transfer Agents (such Principal Paying Agent, the Registrar, the CREST Registrar, any other Paying Agents and Transfer Agents being together referred to as the "**Agents**"). Copies of the applicable Final Terms and any applicable Supplemental Trust Deed are available for viewing at, and copies may be obtained from, Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms and any applicable Supplemental Trust Deed will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Trustee or (as the case may be) the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, are bound by and are entitled to the benefit of, all the provisions of the Trust Deed and the applicable Final Terms which are applicable to them, and are deemed to have notice of all the provisions of the Agency Agreement. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Trust Deed and

the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. **FORM, DENOMINATION AND TITLE**

(a) **Form**

The Notes are in bearer form, registered form or uncertificated registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s).

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

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

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

(b) **Denomination**

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

Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes or Uncertificated Registered Notes and *vice versa*.

(c) **Title**

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

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

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of

principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, any Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

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

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

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

No provisions of these Conditions as amended in accordance with the applicable Final Terms shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Notes in uncertificated form, (II) the transfer of title to Uncertificated Registered Notes by means of a relevant system or (III) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the applicable Final Terms, so long as the Uncertificated Registered Notes are participating securities, (A) the Operator register of corporate securities relating to the Uncertificated Registered Notes shall be maintained at all times in the United Kingdom, (B) the Uncertificated Registered Notes may be issued in uncertificated form in accordance with and subject as provided in the Regulations, and (C) for the avoidance of doubt, the Conditions and the applicable Final Terms in relation

to any Uncertificated Registered Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Note.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Regulations and the relevant Operator (as such term is used in the Regulations) is CRESTCo. Limited or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in relation to the Uncertificated Registered Notes and in accordance with the Regulations. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Notes in accordance with Condition 13 (*Notices*).

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

2. **TRANSFERS OF REGISTERED NOTES**

(a) **Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

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

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 2 (*Register and Transfer of Registered Notes*) to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) **Costs of registration**

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

(d) **Exchanges and transfers of Registered Notes generally**

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

3. **STATUS OF THE NOTES**

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

4. **INTEREST**(a) **Interest on Fixed Rate Notes**

Unless otherwise specified in the applicable Final Terms, each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. For so long as any of the Fixed Rate Notes is represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the Fixed Rate Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Fixed Rate Note, interest will be calculated on its outstanding nominal amount.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will 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.

Unless otherwise specified in the applicable Final Terms, in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date. Except in the case of Notes in definitive form where Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the Fixed Rate Notes; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) of the Calculation Amount

and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In these Conditions:

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

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

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

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

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

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

Such interest will be payable in respect of each "**Interest Period**" (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). For so long as any of the Floating Rate Notes is represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the relevant Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Floating Rate Note interest will be calculated on its outstanding nominal amount.

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

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

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

In these Conditions,

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (2) in relation to any sum payable in euro, a TARGET Settlement Day.

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

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

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

(ii) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

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

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and

- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

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

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

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

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

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

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

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

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

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

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

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

- (A) in the case of Floating Rate Notes which are represented by a Global Note the aggregate outstanding nominal amount of the Notes; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) of the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b) or Condition 4(a) (*Interest on Fixed Rate Notes*):

- (i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
 - (1) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (2) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.
- (ii) if "**Actual/Actual – ISDA**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (iii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

Day Count Fraction =

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

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

Day Count Fraction =

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

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (viii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30; and

- (ix) if "Act/365L" is specified in the Final Terms, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if the later Period End Date of the Interest Period falls in a leap year, divided by 366).

- (v) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Principal Paying Agent or, if applicable, the Calculation Agent or, if applicable, the Trustee, shall (in the absence of wilful default, fraud, bad faith and manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, fraud and bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent, or the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) **Interest on Dual Currency Notes**

The rate or amount of interest payable in respect of Dual Currency Notes shall be determined in the manner specified in the interest provisions of the applicable Final Terms, and interest will accrue in the manner specified in the Final Terms.

(d) **Zero Coupon Notes**

Where a Zero Coupon Note is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i) (*Zero Coupon Notes*)).

(e) **Interest on Rate-Linked Notes, FX-Linked Notes, Equity-Linked Notes, Index-Linked Notes, Inflation-Linked Notes, Commodity-Linked Notes, Commodity Index-Linked Notes**

If the applicable Final Terms specify that the Interest Basis for the Notes is Rate-Linked Notes, FX-Linked Notes, Equity-Linked Notes, Index-Linked Notes, Inflation-Linked Notes, Commodity-Linked Notes, Commodity Index-Linked Notes, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the Final Terms, and interest will accrue in the manner specified in the Final Terms.

(f) **Partly paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(g) **Cessation of accrual of interest**

Each Note (or in the case of redemption of only a Relevant Portion of a Note, that Relevant Portion only of such Note) will cease to bear interest (if any) from the date for its redemption, unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

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

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified promptly to the Issuer, the Trustee and any stock exchange on which the relevant Notes are for the time being listed (and in any event no later than the first day of the relevant Interest Period) and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*). For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(i) **Calculations**

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

per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

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

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

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

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

5. **PAYMENTS**

(a) **Method of payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the

option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively); and

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

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

(b) **Presentation of definitive Bearer Notes, Receipts and Coupons**

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

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

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

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all 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, Dual Currency Note, Long Maturity Note or any Note in relation to which the Interest Basis is anything other than Fixed Rate Notes in definitive bearer form becomes due and repayable, 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 had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon **provided that** such Note shall cease to

be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

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

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Principal Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

(d) **Payments in respect of Registered Notes**

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if a holder does not have a Designated Account, payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post.

No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

Neither the Issuer nor any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

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

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

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

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

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

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

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

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

(h) **Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 8 (*Prescription*)) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;
 - (B) London;
 - (C) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (2) in relation to any sum payable in euro, a TARGET Settlement Day (as defined in Condition 4 (*Interest*) above).

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

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

- (i) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (ii) the Final Redemption Amount of the Notes;
- (iii) in relation to Notes redeemable in instalments, the Instalment Amounts; and
- (iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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

6. **REDEMPTION, PURCHASE AND OPTIONS**(a) **Final Redemption and Redemption by Instalments**(i) ***Final Redemption***

Unless previously redeemed or purchased and cancelled as provided below, each Note (including each Note specified in the applicable Final Terms as having a Redemption Basis that is Rate-Linked Notes, FX-Linked Notes, Credit-Linked Notes, Equity-Linked Notes, Index-Linked Notes, Inflation-Linked Notes, Commodity-Linked Notes, Commodity Index-Linked Notes and Dual Currency Notes) shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Redemption Amount (which, unless otherwise provided in the applicable Final Terms, is its nominal amount) or, in the case of a Note falling within paragraph (ii) (*Redemption by Instalments*) below, its final Instalment Amount, in each case, as calculated by the Calculation Agent in its sole and absolute discretion.

(ii) **Redemption by Instalments**

Unless previously redeemed, purchased and cancelled as provided in this Condition 6 (*Redemption, Purchase and Options*), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(b) **Early Redemption**(i) **Zero Coupon Notes**

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index or other variable and/or a formula, upon redemption of such Note pursuant to Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption following Hedging Disruption*), Condition 6(e) (*Redemption following Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) shall be the Amortised Face Amount (calculated as provided below) or the Fair Market Value of such Note unless otherwise specified in the applicable Final Terms.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the applicable Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their Issue Price on the Issue Date) compounded annually.

"**Fair Market Value**" means, in relation to any Note which is to be redeemed early, its fair market value as of the early redemption date less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes (all as determined by the Calculation Agent).

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption following Hedging Disruption*), Condition 6(e) (*Redemption following Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount or the Fair Market Value of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d) (*Zero Coupon Notes*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the applicable Final Terms.

- (ii) **Other Notes:** The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) (*Zero Coupon Notes*) above), upon redemption of such Note pursuant to Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption following Hedging Disruption*), Condition 6(e) (*Redemption following Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be the Final Redemption Amount or the Fair Market Value in respect of each Note (as specified in the applicable Final Terms) unless otherwise specified in the applicable Final Terms.

(c) **Redemption for Taxation Reasons**

The Notes of any Series may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of a Note other than a Floating Rate Note, a Dual Currency Note, and any Note in relation to which the Interest Basis is anything other than Fixed Rate Notes) or only on an Interest Payment Date (in the case of a Floating Rate Note, a Dual Currency Note or any Note in relation to which the Interest Basis is anything other than Fixed Rate Notes) on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), at their Early Redemption Amount (as determined in accordance with paragraph (b) (*Early Redemption*) above) in respect of each Note, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) it has or will or would, but for redemption, become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) in respect of any of the Notes of such Series;
- (ii) the payment of interest in respect of any of the Notes of such Series would be a "distribution" for United Kingdom tax purposes; or
- (iii) in respect of the payment of interest in respect of any of the Notes of such Series, the Issuer would not to any material extent be entitled to have any attributable loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date on which agreement is reached to issue the first Tranche of Notes of such Series or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Notes of that Series and cannot be avoided by the Issuer taking reasonable steps available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts as referred to in paragraph (i) above, would be treated as making distributions as referred to in paragraph (ii) above or would not be entitled to have the loss or non trading deficit set against the profits as referred to in paragraph (iii) above were a payment in respect of the Notes of that Series then due. Upon the expiration of such notice the Issuer shall be bound to redeem such Notes at their Early Redemption Amount together with interest accrued to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant this Condition 6(c) (*Redemption for Taxation Reasons*), the Issuer shall deliver to the Trustee a certificate signed by two Directors stating that the obligation or treatment, as the case may be, referred to above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) Redemption following Hedging Event

Unless this Condition 6(d) (*Redemption following Hedging Event*) is specified as Not Applicable in the applicable Final Terms, if in relation to a Series of Notes the Issuer or the Calculation Agent determines that a Hedging Event (as defined below) has occurred, and for as long as a Hedging Event is continuing, the Issuer, having given not less than 15 nor more than 30 days' irrevocable notice to the Noteholders, may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount (as determined in accordance with paragraph (b) (*Early Redemption*) above) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

"**Hedging Event**" means the occurrence of either of the following events or circumstances arising due to any reason (including but not limited to the adoption of, application of or change of any applicable law or regulation after the Issue Date of a Series of Notes):

- (i) it becomes impossible or impracticable for the Issuer or its counterparty of any hedging transaction to:
 - (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge its obligations with respect to the relevant Notes (a "**Hedging Transaction**"); or
 - (B) realise, recover or remit the proceeds of any such Hedging Transaction; or
- (ii) the Issuer or the counterparty under such Hedging Transaction would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such Series of Notes) in entering into or maintaining any Hedging Transaction (including, but not limited to, any internal cost arising as a result of compliance with any applicable law or regulation),

in each case as determined by the Issuer or the Calculation Agent in its sole and absolute discretion.

(e) Redemption following Illegality

If, in relation to a Series of Notes, the Issuer in its sole and absolute discretion or the Calculation Agent determines that an Illegality Event (as defined below) has occurred, the Issuer, having given not less than 15 nor more than 30 days' irrevocable notice to the Noteholders, may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount (as determined in accordance with paragraph (b) (*Early Redemption*) above) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

"**Illegality Event**" means that:

- (i) the performance of the Issuer's obligations shall have become unlawful or impracticable, in whole or in part, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; or
- (ii) the Issuer would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such Series of Notes) in entering into or maintaining a Series of Notes in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power.

(f) Redemption at the Option of the Issuer

If Call Option is specified in the applicable Final Terms, the Issuer may and unless otherwise specified in the applicable Final Terms), on giving not less than 15 nor more than 30 days' irrevocable notice to the Trustee, the Principal Paying Agent, the Registrar (in the case of

Registered Notes), the CREST Registrar (in the case of Uncertificated Registered Notes), the competent authority or stock exchange on which the Notes are listed, if any (if so required by such competent authority or stock exchange) and, in accordance with Condition 13 (*Notices*), the Noteholders (or such other notice period as may be specified in the applicable Final Terms) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount (which may be par or their Fair Market Value or another amount specified in the applicable Final Terms) together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(g) **Redemption at the Option of Noteholders**

If Put Option is specified in the applicable Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the applicable Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount (which may be par or their Fair Market Value or another amount specified in the applicable Final Terms) together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent (in the case of Bearer Notes), with the Registrar or any Transfer Agent (in the case of Registered Notes) or with the CREST Registrar (in the case of any Uncertificated Registered Notes) at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent or the CREST Registrar (as applicable) within the notice period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(h) **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 provisions specified in the applicable Final Terms.

(i) **Purchases**

The Issuer, or any of its subsidiaries, any holding company of the Issuer or any subsidiary of such holding company, may at any time purchase Notes (**provided that**, in the case of Bearer Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(j) **Cancellation**

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation by surrendering each such Note (together with all unmatured Receipts and Coupons and all unexchanged Talons) at the time of redemption to the Principal Paying Agent or to the Registrar (in the case of Registered Notes) or to the CREST Registrar (in the case of Uncertificated Registered Notes). In each case, any Notes so surrendered shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so

surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7. TAXATION

7A. TAXATION — NO GROSS UP

This Condition 7A will be applicable to all Series of Notes unless it is specified in the applicable Final Terms that Condition 7B (*Taxation - Gross Up*) is applicable.

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer shall not be required to pay to holders of Notes, Receipts and/or Coupons any additional amounts in connection with such withholding or deduction.

7B. TAXATION - GROSS UP

This Condition 7B will only be applicable to such Series of Notes where it is specified in the applicable Final Terms that Condition 7B (*Taxation - Gross Up*) is applicable.

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by, or by a third party on behalf of, a holder who (i) could avoid such withholding or deduction by complying, or procuring that any third party complies with, any statutory or procedural requirements (including, without limitation, the provision of information) or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority; or (ii) is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(h) (*Payment Day*)) in the place of surrender; or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who is able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

In these Conditions:

"Tax Jurisdiction" means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax; and

the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent, the Trustee or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

Any reference in these Conditions to principal or interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertakings given in addition thereto or in substitution thereof pursuant to the Trust Deed.

Notwithstanding any other provision in these Conditions, the Issuer, and the Paying Agents, shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US IRS ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

8. **PRESCRIPTION**

The Notes (whether in bearer, uncertificated registered or certificated registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5 (*Payments*) or any Talon which would be void pursuant to Condition 5 (*Payments*).

9. **EVENTS OF DEFAULT**

(a) **Events of Default**

If any of the following events (each an "**Event of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one quarter in nominal amount of the Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders shall (subject in each case to being indemnified, secured and/or prefunded to its satisfaction), give notice to the Issuer (with a copy to the Custodian, in the case of any Secured Notes) that the Notes are, and they shall immediately become, due and payable at their Final Redemption Amount (determined in accordance with Condition 6(a) (*Redemption, Purchase and Options – Final Redemption*)) together (if applicable) with accrued interest (if any) in respect of such Notes shall become enforceable:

- (i) if default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal or premium or 14 days in the case of interest; or
- (ii) if an administrator is appointed in respect of the Issuer or any order is made or an effective resolution is passed for the winding up or dissolution of the Issuer and any resulting administration, winding up or dissolution process remains undismissed for 45 days (save for the purposes of reorganisation, reconstruction, amalgamation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders).

(b) **Enforcement**

- (i) The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified, secured and/or prefunded to its satisfaction.
- (ii) No Noteholder shall be entitled to institute proceedings directly against the Issuer or prove in the winding up of the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure is continuing, in which event any Noteholder may, on giving an indemnity, security and/or prefunding satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute such proceedings and/or prove in the winding up of the Issuer to the same extent and in the same jurisdiction (but not further or otherwise) that the Trustee would have been entitled to do so in respect of the Notes and/or the Trust Deed.

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

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts and Coupons) or the Registrar (in the case of Registered Notes) or the CREST Registrar (in the case of Uncertificated Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. **AGENTS**

The names of the initial Agents and their initial specified offices are set out below.

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

- (a) there will at all times be a Principal Paying Agent, a Paying Agent, a Transfer Agent and a Registrar and/or a CREST Registrar (as the case may be);
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes, Receipts and Coupons) or the Registrar (in the case of Registered Notes) or the CREST Registrar (in the case of Uncertificated Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) so long as there are any Secured Notes which remain outstanding, there will be a Custodian and a Verification Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(g) (*U.S. Paying Agent*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

12. EXCHANGE OF TALONS

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

13. NOTICES

(a) Notices in respect of Bearer Notes and Registered Notes

All notices regarding Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily national newspaper of general circulation in the United Kingdom and (ii) or as otherwise required by any stock exchange or any other competent authority by or on which the Bearer Notes are for the time being listed. It is expected that any such publication in a newspaper will, if required, be made in the *Financial Times* in London. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to be given on such date, as the Trustee shall approve.

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

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

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

(b) Notices in respect of Uncertificated Registered Notes

All notices regarding Uncertificated Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders at their respective

addresses appearing in the Record and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Uncertificated Registered Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange.

14. **MEETINGS OF NOTEHOLDERS, MODIFICATION , WAIVER AND SUBSTITUTION**

(a) **Meeting of Noteholders**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including, but not limited to, modifying the date of maturity of the Notes or any date for payment of principal or interest thereon, reducing or cancelling the amount of principal or the Rate of Interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons, the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trust Deed provides for a resolution, with or without notice, in writing signed by or on behalf of the holder or holders of not less than 90 per cent. of the principal amount of the Notes for the time being outstanding to be as effective and binding as if it were an Extraordinary Resolution duly passed at a meeting of the Noteholders.

(b) **Modification and Waiver**

The Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders:

- (i) concur with the Issuer in making any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Agency Agreement or the Trust Deed, **provided that** the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders; or
- (ii) determine that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do; or
- (iii) agree to any modification which is of a formal, minor or technical nature or to correct a manifest error.

The Trustee shall agree to any modification without the consent of Noteholders which is to correct any inconsistency arising in the applicable Final Terms in respect of any Series of Notes as compared to any term sheet, brochure or other written communication in respect of the Notes that has been distributed to Noteholders in respect of that Series **provided that** (A) the Issuer provides to the Trustee a certificate signed by two authorised signatories of the Issuer certifying the details of such inconsistency and appending and certifying the relevant written communication distributed to Noteholders to which the Final Terms are to be conformed; (B) in case of rated Notes, any credit rating agency that has rated such Notes provides confirmation that the credit ratings of such Notes would not be adversely affected by the proposed modification,

and such confirmation is provided to the Trustee; and (C) the Trustee has the right to refuse to agree such changes in the event that, in its sole opinion, the change would expose it to more onerous obligations or additional costs for which, in its sole opinion, it is not or will not be pre-funded or indemnified or secured to its satisfaction.

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

The Issuer may at any time request the Trustee to make modifications to any of the provisions of the Notes, the Agency Agreement or the Trust Deed and any other relevant documents without the consent of the Noteholders, Receiptholders or Couponholders (and irrespective of whether such modifications are (i) materially prejudicial to the interests of the Noteholders or (ii) in respect of a Basic Terms Modification (as defined in the Trust Deed)) to maintain and/or improve credit ratings of any Notes in issue. The Trustee shall agree to such changes provided that the Issuer confirms to the Trustee in writing that such amendments are required either (i) to implement new credit rating criteria of a credit rating agency; or (ii) by a credit rating agency itself, in either case, to maintain or improve the then current credit ratings of the Notes then outstanding.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer, to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company, being a subsidiary of the Issuer, subject to (a) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (b) compliance with certain other conditions set out in the Trust Deed.

15. **INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND TRUSTEE'S RETIREMENT AND REMOVAL**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified, secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its subsidiaries and to act as trustee for the holders of any other securities issued by, or relating to, the Issuer and/or any of its subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed contains provisions allowing the Trustee to retire at any time on giving not less than 60 days' prior written notice to the Issuer without giving any reason and without being responsible for any Expenses (as defined in the Trust Deed) incurred by such retirement. The Noteholders may by

Extraordinary Resolution remove any trustee or trustees of the Notes. The Trust Deed provides that the retirement or removal of any such Trustee shall not become effective until a successor trustee (being a trust corporation) is appointed. The Trust Deed provides that, in the event of the Trustee giving notice of retirement or being removed by Extraordinary Resolution under the Trust Deed, the Issuer shall use all reasonable endeavours to procure that a new trustee is appointed as soon as reasonably practicable. If no appointment has become effective within 60 days of such notice or Extraordinary Resolution, the Trust Deed provides that the Trustee shall be entitled to appoint a trust corporation. No appointment of a trustee shall take effect unless previously approved by an Extraordinary Resolution. Notice of any such change shall be given to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

16. **FURTHER ISSUES**

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

17. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

18. **GOVERNING LAW**

Each of the Trust Deed, the Agency Agreement, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with English law.

ADDITIONAL TERMS AND CONDITIONS OF THE SECURED NOTES

The following are Additional Terms and Conditions which will apply in relation to Secured Notes. Accordingly, the term "Conditions" when used in relation to Secured Notes shall include the following:

19. SECURITY

If the applicable Final Terms specify that a Series is a Series of Secured Notes, then such Notes shall have the benefit of security granted by the Issuer over a pool (the "**Collateral Pool**") of certain Posted Collateral and other Secured Assets, as specified in the applicable Final Terms and the Supplemental Trust Deed relating to such Series, in favour of the Trustee for the benefit of itself and the Noteholders, Receiptholders and Couponholders to secure its obligations under the Notes, Receipts and Coupons (if any) in respect of such Series and any other Series of Secured Notes which are or will be secured by the same Collateral Pool (each a "**Related Covered Series**" and, together with such other Series of Secured Notes, the "**Covered Series**").

Any such security shall be created by a Supplemental Trust Deed substantially in the form scheduled to the Principal Trust Deed, with such amendments as the Issuer and the Trustee may agree from time to time. A Collateral Pool may secure the Issuer's obligations in respect of a single Series of Secured Notes or may be available to secure other Series of Secured Notes, if so specified in the applicable Final Terms and the relevant Supplemental Trust Deed.

Pursuant to the terms of the Trust Deed, the Posted Collateral in relation to all Covered Series in respect of a single Collateral Pool and the Exposure under such Covered Series will be required to be valued by the Valuation Agent on the Valuation Dates specified in the applicable Final Terms and the Supplemental Trust Deed and the Issuer may be required to post further Eligible Collateral or be entitled to request the return of any Posted Collateral based on such valuations. In addition, subject to the detailed provisions of the Trust Deed, the Issuer may be entitled to substitute Posted Collateral with other Eligible Collateral. The applicable Final Terms and the Supplemental Trust Deed may specify a Maximum Percentage in relation to any item(s) of Eligible Collateral, in which case the Issuer shall not be entitled to post such item(s) of Eligible Collateral to a Collateral Pool to the extent that it would result in the Value (as determined by the Valuation Agent) of such item(s) of Eligible Collateral, expressed as a percentage of the total Value (as determined by the Valuation Agent) of Posted Collateral in relation to such Collateral Pool, exceeding such Maximum Percentage. In addition, to the extent that the Value on a Valuation Date of any item(s) of Posted Collateral, expressed as a percentage of the total Value of Posted Collateral for such Collateral Pool, exceeds the applicable Maximum Percentage, the Issuer will be required to substitute some or all of such items of Posted Collateral with other Eligible Collateral so that such Maximum Percentage is not exceeded.

The Supplemental Trust Deed relating to a Collateral Pool (and the Final Terms of each Series of Secured Notes that is a Covered Series in relation to such Collateral Pool) shall specify (a) whether the Collateral Pool is to secure one Series of Secured Notes only or may secure more than one Series, (b) the eligible collateral (the "**Eligible Collateral**") and related valuation percentages (each, a "**Valuation Percentage**"), (c) the maximum percentage (the "**Maximum Percentage**") relating to each item of Eligible Collateral, (d) the valuation dates (each, a "**Valuation Date**"), (e) the base currency (the "**Base Currency**") and the eligible currencies (each, an "**Eligible Currency**"), (f) the minimum transfer amount (the "**Minimum Transfer Amount**") and (g) the independent amount (if any) (the "**Independent Amount**").

The Security in relation to the Collateral Pool of any Covered Series shall become immediately enforceable following an Event of Default in relation to such Covered Series, upon the Trustee giving notice to the Issuer pursuant to Condition 9 (*Events of Default*).

In the event that the Security created by the Trust Deed in relation to the Collateral Pool of any Covered Series becomes enforceable as provided in these Conditions and the Trust Deed, the Trustee may at its discretion, and if so requested by holders of at least one quarter in nominal amount of the Notes of such Covered Series then outstanding or if so directed by an Extraordinary Resolution of the Noteholders of such Covered Series shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) enforce the Security, **provided, however, that** the Trustee shall not be required to take any action that would involve the Trustee in any personal liability or which may be contrary to applicable laws and/or regulations. In each case, the Trustee may act without any liability as to the consequence of

such action and without having regard to the effect of such action on any individual Noteholders, Receiptholders or Couponholders.

Following any enforcement of the Security in relation to the Collateral Pool of any Covered Series, the proceeds from the Secured Assets shall be held by the Trustee upon trust to be applied in the following order of priority: (a) in and towards payment of all amounts due to the Trustee, any appointee and/or any receiver in relation to such Covered Series and any Related Covered Series, together with accrued interest, (b) in and towards payment of all amounts of principal/redemption amount and interest due but unpaid to the Noteholders and any Receiptholders and Couponholders of such Covered Series and any Related Covered Series on a *pari passu* and *pro rata* basis according to the amount due to be paid to each Noteholder, Receiptholder and Couponholder and (c) the balance (if any) to the Issuer.

20. **ADDITIONAL EVENTS OF DEFAULT**

The following events shall constitute additional Events of Default in relation to Secured Notes:

- (i) default is made in the payment of any principal, premium or interest due in respect of any Related Covered Series or any of them and the default continues for a period of 7 days in the case of principal or premium or 14 days in the case of interest; or
- (ii) the Issuer fails to:
 - (A) make, when due, any transfer of Eligible Collateral required to be made by it in relation to the related Collateral Pool and that failure continues for 7 days after notice of such failure is given to it by the Trustee; or
 - (B) perform any other of its obligations under the Trust Deed in relation to the Collateral Pool relating to such Notes and such failure continues for 45 days after notice of such failure is given to it by the Trustee.

21. **COLLATERAL CREDIT-LINKAGE FOR SECURED NOTES**

(a) **General**

The applicable Final Terms shall specify whether or not Collateral Credit-Linkage applies to each Series of Secured Notes, and, if it does apply, whether Simplified Credit-Linkage or ISDA Credit-Linkage applies to such Series.

(b) **Simplified Credit-Linkage**

General

- (i) This Condition 21(b) only applies to Secured Notes in relation to which the applicable Final Terms specifies that Simplified Credit-Linkage applies.
- (ii) Each Note will be credit-linked to Collateral Reference Entity(ies) specified in the applicable Final Terms, with each Collateral Reference Entity having the Collateral Reference Entity Weighting specified therein. The portion of each Note linked to a particular Collateral Reference Entity (the "**Relevant Portion**") shall be a percentage portion of its Specified Denomination equal to the Collateral Reference Entity Weighting of such Collateral Reference Entity. Each Relevant Portion of the Note shall be redeemed and bear interest in accordance with the Conditions (including this Condition 21(b)), which shall apply separately to each Relevant Portion as if each Relevant Portion were a separate Note.

Redemption following Credit Event Notice

- (iii) If the Calculation Agent delivers a Credit Event Notice to the Issuer in relation to a Collateral Reference Entity linked to a Relevant Portion of a Note prior to the Maturity Date, then:
 - (A) the Calculation Agent shall determine the Adjusted Fair Market Value of such Relevant Portion as of the Credit Event Notice Date;
 - (B) the Issuer shall not redeem such Relevant Portion on the scheduled Maturity Date or (if applicable) any Automatic Early Redemption Date or other date fixed for its redemption falling after the Credit Event Notice Date, but shall redeem such Relevant Portion on its Credit Event Redemption Date at its Credit Event Redemption Amount; and
 - (C) the Issuer shall have no other payment obligations in respect of such Relevant Portion (and, in particular, but without limiting the generality of the foregoing, shall have no obligation to pay the Final Redemption Amount that would otherwise be payable by the Issuer on the Maturity Date or (if applicable), any amount payable on any Automatic Early Redemption Date or other date fixed for its redemption falling after the giving of the Credit Event Notice).
- (iv) The Calculation Agent shall, on behalf of the Issuer, give notice to the holders of the relevant Series of Notes (copied to the Issuer) of:
 - (A) the giving of any Credit Event Notice; and
 - (B) the determination of any Credit Event Redemption Date or Credit Event Redemption Amount.

Interest

- (v) Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Credit Event Notice Date.

Definitions

- (vi) For the purposes of the Conditions, the following terms shall have the meanings set out below:

"Adjusted Fair Market Value" means, in relation to any Note or Relevant Portion thereof as of any date, its fair market value as of such date less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes or Relevant Portions thereof (as the case may be) in respect of the early redemption of the Notes (all as determined by the Calculation Agent without taking into account the occurrence of a Credit Event with respect to the relevant Collateral Reference Entity).

"Collateral Reference Entity" means, in relation to any Series of Notes, an entity specified as such in the applicable Final Terms.

"Collateral Reference Entity Weighting" means, in relation to any Series of Notes, the weighting assigned to a specific Collateral Reference Entity specified as such in the applicable Final Terms.

"Collateral Reference Obligation" means, in relation to any Series of Notes, any obligation specified as such in the applicable Final Terms.

"Credit Event" means the determination by the Calculation Agent, acting in good faith and in a commercially reasonable manner, that a Collateral Reference Entity has become Insolvent.

"Credit Event Notice" means, in relation to any Collateral Reference Entity, a written notice from the Calculation Agent to the Issuer stating that a Credit Event has occurred. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred.

"Credit Event Notice Date" means the date on which the Calculation Agent gives a Credit Event Notice to the Issuer.

"Credit Event Redemption Amount" means, in relation to any Relevant Portion of a Note, the product of:

- (A) the Adjusted Fair Market Value of such Relevant Portion as of the Credit Event Notice Date; and
- (B) the relevant Recovery Rate.

"Credit Event Redemption Date" means, in relation to the Relevant Portion of a Note relating to a Collateral Reference Entity, such date (which shall be a Business Day) as the Calculation Agent may in its absolute discretion specify by written notice to the Issuer, being no later than 30 days after the date which the Calculation Agent, acting in good faith and in a commercially reasonable manner, determines to be:

- (A) where General Recovery Rate is specified in the applicable Final Terms, the date on which the holders of Relevant Debt actually received or are likely to receive final payment in respect of the same from or on behalf of the Collateral Reference Entity; and
- (B) where Specific Recovery Rate is specified in the applicable Final Terms, the date on which the holders of the specified Collateral Reference Obligation actually received or are likely to receive final payment in respect of the same from or on behalf of the Collateral Reference Entity.

"Insolvent" means, in relation to any Collateral Reference Entity:

- (A) it is unable or admits inability to pay its debts as they fall due;
- (B) it suspends making payments on any of its debts;
- (C) a liquidator or administrator or other similar officer has been appointed in relation to such Collateral Reference Entity;
- (D) it enters into a company voluntary arrangement or a scheme of arrangement with its creditors; or
- (E) any Insolvency Proceedings are taken in relation to such Collateral Reference Entity.

"Insolvency Proceedings" means any legal proceedings in relation to any suspension of payments, moratorium of indebtedness, winding-up, dissolution or administration of such person (including, without limitation, any bank insolvency procedure or bank administration procedure under the United Kingdom Banking Act 2009) or any analogous procedure in any jurisdiction.

"General Recovery Rate" means, in relation to any Collateral Reference Entity, the percentage which the Calculation Agent, acting in good faith and in a commercially reasonable manner, determines is its absolute discretion to represent the likely final recovery rate of holders generally of Relevant Debt of such Collateral Reference Entity.

"Recovery Rate" means:

- (A) the General Recovery Rate; or
- (B) the Specific Recovery Rate,

as specified in the applicable Final Terms, (and if the applicable Final Terms does not specify a Collateral Reference Obligation, then the General Recovery Rate shall apply).

"Relevant Debt" means, in relation to any Collateral Reference Entity, unsecured, unsubordinated structured debt obligations of such Collateral Reference Entity for the payment or repayment of borrowed money.

"Specific Recovery Rate" means, in relation to any Collateral Reference Entity, the percentage which the Calculation Agent, acting in good faith and in a commercially reasonable manner, determines in its absolute discretion to represent the likely final recovery rate of a holder of the specified Collateral Reference Obligation.

(c) **ISDA Credit-Linkage**

General

- (i) This Condition 21(c) only applies to Secured Notes in relation to which the applicable Final Terms specifies that ISDA Credit-Linkage applies.
- (ii) Each Note will be credit-linked to one or more Collateral Reference Entity(ies) specified in the applicable Final Terms, with each Collateral Reference Entity having the Collateral Reference Entity Weighting specified therein. The portion of each Note linked to a particular Collateral Reference Entity (the "**Relevant Portion**") shall be a percentage portion of its Specified Denomination equal to the Collateral Reference Entity Weighting of such Collateral Reference Entity. Each Relevant Portion of the Note shall be redeemed and bear interest in accordance with the Conditions (including this Condition 21(c)), which shall apply separately to each Relevant Portion as if each Relevant Portion were a separate Note.

Redemption and Settlement following CLN Event Notice

- (iii) If the Calculation Agent delivers a CLN Event Notice to the Issuer in relation to a Collateral Reference Entity linked to a Relevant Portion of a Note prior to the Maturity Date (as may be extended pursuant to Condition 21(c)(v) (*Maturity Date Extension*) below), then:
 - (A) the Calculation Agent shall determine the Adjusted Fair Market Value of such Relevant Portion as of the Event Determination Date;
 - (B) the Issuer shall not redeem such Relevant Portion on the scheduled Maturity Date or (if applicable) any Automatic Early Redemption Date or other date fixed for its redemption falling after the CLN Event Notice Date, but shall redeem such Relevant Portion on its Credit Event Redemption Date at its Credit Event Redemption Amount; and
 - (C) the Issuer shall have no other payment obligations in respect of such Relevant Portion (and, in particular, but without limiting the generality of the foregoing, shall have no obligation to pay the Final Redemption Amount that would otherwise be payable by the Issuer on the Maturity Date or (if applicable), any amount payable on any Automatic Early Redemption Date or other date fixed for its redemption falling after the giving of the CLN Event Notice).
- (iv) The Calculation Agent shall, on behalf of the Issuer, give notice to the holders of the relevant Series of Notes (copied to the Issuer) of:
 - (A) the giving of any CLN Event Notice or Extension Notice; and
 - (B) the determination of any Credit Event Redemption Date or Credit Event Redemption Amount.

Maturity Date Extension

- (v) If the Calculation Agent determines at any time prior to the Maturity Date that an Extended Maturity Date would apply to the relevant Notional CLN relating to any Relevant Portion of a Note, it shall give notice (an "**Extension Notice**") to the holders of the relevant Series of Notes (with a copy to the Issuer) stating that the Maturity Date of the Relevant Portion of the Notes shall be extended to match such Extended Maturity Date, whereupon the Maturity Date of such Relevant Portion shall be extended in accordance with the terms of such notice.

Interest

- (vi) Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Event Determination Date.

Interest Postponement

- (vii) If the Calculation Agent determines that a payment of interest scheduled to be paid on any date under the relevant Notional CLN relating to any Relevant Portion of a Note would be suspended pursuant to Term 6 (*Interest Postponement*) of the Standard Terms for Credit-Linked Notes, then any payment of interest in respect of such Relevant Portion on the corresponding Interest Payment Date under the Notes will also be suspended. Payment of any amount of suspended interest shall only be made on the date (if any) that the corresponding suspended interest would fall due to be paid under Term 6 (*Interest Postponement*) of such Notional CLN, as determined by the Calculation Agent, or, if such day is not a Business Day, on the next succeeding Business Day. No additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to this paragraph. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 13 (*Notices*) as soon as is reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this paragraph.

Restructuring Credit Event

- (viii) If the Calculation Agent determines that Term 16 (*Restructuring Credit Event*) of the Standard Terms for Credit-Linked Notes would be applicable to the relevant Notional CLN in relation to any Relevant Portion of a Note, the Calculation Agent may deliver multiple CLN Event Notices in relation to such Relevant Portion as if multiple Credit Event Notices had been delivered (on such dates as the Calculation Agent determines) in respect of such Notional CLN. If the Calculation Agent delivers a CLN Event Notice in respect of part only of the Relevant Portion, the Calculation Agent shall specify in such CLN Event Notice the principal amount of such part and the provisions of Condition 21(c)(iii) (*Redemption and Settlement following CLN Event Notice*) shall apply only to such part of the Relevant Portion. The provisions of this Condition 21(c) shall continue to apply to any subsequent CLN Event Notice(s) delivered in respect of such remaining Relevant Portion.

Calculation Agent

- (ix) Term 8 (*Calculation Agent*) of the Standard Terms for Credit-Linked Notes shall be incorporated herein, with references to:
 - (A) "CLN" being construed as references to the "Notes"
 - (B) "Reference Entity" being construed as references to "Collateral Reference Entity"; and
 - (C) "Reference Obligation" being construed as references to "Collateral Reference Obligation".

Definitions

- (x) Terms used in this Condition 21(c) but not defined in the Conditions shall have the meanings given to such terms in the "*Standard Terms for Credit-Linked Notes*" and, in addition, for the purposes of the Conditions, the following terms shall have the meanings set out below:

"Adjusted Fair Market Value" means, in relation to any Note or Relevant Portion thereof as of any date, its fair market value as of such date less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes or Relevant Portions thereof (as the case may be) in respect of the early redemption of the Notes (all as determined by the Calculation Agent without taking into account the occurrence of a Credit Event with respect to the relevant Collateral Reference Entity).

"CLN Event Notice" means, in relation to any Collateral Reference Entity, a written notice from the Calculation Agent to the Issuer stating that in the determination of the Calculation Agent an Event Determination Date would have occurred under the relevant Notional CLN relating to such Collateral Reference Entity prior to the Extended Maturity Date of such Notional CLN.

"CLN Event Notice Date" means the date on which the Calculation Agent gives a CLN Event Notice to the Issuer.

"Collateral Reference Entity" means, in relation to any Series of Notes, an entity specified as such in the applicable Final Terms or any Successor thereto that the Calculation Agent determines would be a Successor to such Reference Entity under the relevant Notional CLN.

"Collateral Reference Entity Weighting" means, in relation to any Series of Notes, the weighting assigned to a specific Collateral Reference Entity specified as such in the applicable Final Terms.

"Collateral Reference Obligation" means, in relation to any Series of Notes, any obligation specified as such in the applicable Final Terms.

"Credit Event Redemption Amount" means, in relation to any Relevant Portion of a Note, the product of:

- (A) the Adjusted Fair Market Value of such Relevant Portion as of the CLN Event Notice Date; and
- (B) the Auction Final Price or Final Price (as applicable) that would be applicable to the relevant Collateral Reference Entity under the relevant Notional CLN.

"Credit Event Redemption Date" means, in relation to the Relevant Portion of a Note relating to a Collateral Reference Entity, the Settlement Date under the relevant Notional CLN relating to that Collateral Reference Entity, as determined by the Calculation Agent.

"Notional CLN" means:

- (A) where **no** Collateral Reference Obligation is specified in the applicable Final Terms in respect of the Collateral Reference Entity, the Notional (General) CLN; and
- (B) where a Collateral Reference Obligation is specified in the applicable Final Terms in respect of the Collateral Reference Entity, the Notional (Specific) CLN.

"Notional (General) CLN" means, in relation to any Collateral Reference Entity, a notional Credit-Linked Note issued under the Programme on market standard terms:

- (i) incorporating the Standard Terms for Credit-Linked Notes;
- (ii) that is a Single Reference Entity Cash CLN relating to such Collateral Reference Entity in respect of which the Settlement Method is Auction Settlement and the Fallback Settlement Method is Cash Settlement;
- (iii) having the Transaction Type relating to such Collateral Reference Entity as specified in the applicable Final Terms;
- (iv) having a Trade Date that is the same date as the Issue Date of the Notes, a Scheduled Termination Date that is the same date as the Maturity Date of the Notes and Interest Payment Dates which are the same as the Interest Payment Dates under the Notes; and
- (v) in respect of which Credit Derivatives Determinations Committee Extension is applicable.

"Notional (Specific) CLN" means, in relation to any Collateral Reference Entity, a notional Credit-Linked Note issued under the Programme on market standard terms:

- (i) incorporating the Standard Terms for Credit-Linked Notes;
- (ii) that is a Single Reference Entity Cash CLN relating to such Collateral Reference Entity in respect of which the Settlement Method is Auction Settlement and the Fallback Settlement Method is Cash Settlement;
- (iii) that references a single Collateral Reference Obligation as specified in the applicable Final Terms, (and in respect of which each of Obligation Category, Deliverable Obligation Category and Valuation Obligation Category is specified as Reference Obligations only);
- (iv) having a Trade Date that is the same date as the Issue Date of the Notes, a Scheduled Termination Date that is the same date as the Maturity Date of the Notes and Interest Payment Dates which are the same as the Interest Payment Dates under the Notes; and
- (v) in respect of which Credit Derivatives Determinations Committee Extension is applicable.

"Programme" means the Issuer's £2,000,000,000 Impala Structured Notes Programme.

"Standard Terms for Credit-Linked Notes" means the terms and conditions for credit-linked notes set out in Part D of the Base Prospectus dated 21 June 2012 relating to the Programme.

22. **ADDITIONAL DEFINITIONS APPLICABLE TO SECURED NOTES**

The following definitions are only applicable to a Series of Secured Notes issued under the Programme:

"Base Currency", in relation to any Collateral Pool, has the meaning specified in the Security Documents relating to such Collateral Pool;

"Base Currency Equivalent" means, with respect to the Valuation Time in respect of a Valuation Date, in the case of an amount denominated in the Base Currency, such Base Currency amount and, in the case of an amount denominated in a currency other than the Base Currency (the **"Other Currency"**), the amount of Base Currency required to purchase such amount of the Other Currency at the spot exchange rate determined by the Valuation Agent for value at such Valuation Time;

"Early Redemption Amount" means, in relation to any Series of Notes, the aggregate amount that would be payable by the Issuer in accordance with the Conditions in respect of such Series if such Series of Notes were to be redeemed pursuant to Condition 6(c) (*Redemption for tax reasons*) on a Valuation Date;

"Encumbrance" means any mortgage, pledge, lien, hypothecation, security interest or other arrangement having similar effect;

"Exposure" means, in relation to any Covered Series, the aggregate of the Early Redemption Amounts in respect of each Series of Secured Notes that is part of such Covered Series and secured by the same Collateral Pool;

"Posted Collateral" means, in relation to any Collateral Pool, all Eligible Collateral, other property, Distributions, interest and all proceeds of any such Eligible Collateral, other property, Distributions or interest that have been transferred to or received by the Trustee under the Security Documents relating to such Collateral Pool and not transferred to the Issuer pursuant to the terms set out in the Trust Deed or realised by the Trustee under the terms set out in the Trust Deed;

"Secured Assets" means, in relation to any Collateral Pool, the assets and rights from time to time the subject of the Security constituted by the Security Documents relating to such Collateral Pool;

"Security" means, in relation to any Series of Secured Notes, the Encumbrances created or intended to be created, or which may at any time be intended to be created, in favour of the Trustee as trustee for the Noteholders, the Receiptholders and the Couponholders of such Series of Secured Notes, by or pursuant to the Security Documents in relation to such Series;

"Security Documents" means, in relation to any Series of Secured Notes, this Principal Trust Deed, the Supplemental Trust Deed relating to such Series and any other documents which may be specified in the relevant Supplemental Trust Deed and the applicable Final Terms as additional Security Documents in relation to such Series;

"Valuation Time" means, in relation to any Collateral Pool, the close of business in London on the London Business Day immediately preceding the Valuation Date or date of calculation, as applicable, **provided that** the calculations of Value and Exposure in relation to any Collateral Pool will, as far as practicable, be made as of approximately the same time on the same date; and

"Value" means:

- (a) in the case of Eligible Collateral or Posted Collateral that is:
 - (i) an amount of cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage, if any; and
 - (ii) a security, the Base Currency Equivalent of its bid price multiplied by the applicable Valuation Percentage (if any), provided, however, that for the purposes of determining whether the Maximum Percentage for any item of

Eligible Collateral has been exceeded, "Value" shall mean nominal value multiplied by the applicable Valuation Percentage (if any); and

- (b) in the case of Posted Collateral that consists of items that are not specified as Eligible Collateral, zero,

in each case, as at the Valuation Time in respect of a Valuation Date.

PRO FORMA FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17/19].¹]

[Date]

Investec Bank plc
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the
£2,000,000,000 Impala Structured Notes Programme

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]²

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]³

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances (including without limitation their own

¹ To be included in respect of all issues which are to be admitted to listing. Delete 17 or 19 as appropriate. Listing Rule 19 applies to securitised derivatives. Listing Rule 17 applies to debt securities, asset-backed securities and convertible securities.

² Include this legend where a non-exempt offer of Notes is anticipated.

³ Include this legend where a non-exempt offer of Notes is anticipated.

financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "*Risk Factors*" in the Base Prospectus referred to below.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 21 June 2012 [and the supplemental Prospectus[es] dated []] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as supplemented]. The Base Prospectus [and the supplements thereto] are available for viewing at and copies may be obtained during normal working hours from Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB [/ Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE]].

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When completing Final Terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | |
|----|---|--|
| 1. | Issuer: | Investec Bank plc |
| 2. | [(a)] Series Number: | [•] |
| | [(b)] Tranche Number: | [•] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> | |
| 3. | Specified Currency or Currencies: | [•] |
| 4. | Aggregate Nominal Amount: | |
| | [(a)] Series: | [•] |
| | [(b)] Tranche: | [•] |
| 5. | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6. | (a) Specified Denominations: | [•] |
| | (b) Calculation Amount: | [•] |
| | <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.]</i> | |
| 7. | (a) Issue Date: | [•] |
| | (b) Interest Commencement Date: | [Specify/Issue Date/Not applicable] |

8. Maturity Date: *[Specify date for Floating Rate Notes only - Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: *[[•] per cent. Fixed Rate]*
[[LIBOR/EURIBOR] +/-[•] per cent. Floating Rate]
[Zero Coupon]
[Dual Currency]
[Specify other]
 (further particulars specified below)
[N.B. If the Interest Basis is linked to an underlying covered in a different Part of this Base Prospectus, include specific interest provisions from the relevant Part here. For e.g. if the Interest Basis is FX-Linked, include "FX-Linked Notes Interest Provisions" below]
10. Redemption/Payment Basis: *[Redemption at par]*
[Dual Currency]
[Instalment]
[Partly Paid]
[Specify other]
[N.B. If the Final Redemption Amount is not 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.]
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Call Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
13. Put Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
14. (a) Status of the Notes: Senior
- (b) Security Status: *[Unsecured Notes/Secured Notes. The Issuer has designated the Notes as covered bonds].*
- (c) *[Date [Board] approval for issuance of Notes obtained: [•]*

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

(a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi - annually/quarterly/other specify] in arrear]

[If payable other than annually, consider amending Condition 4(a) (Interest on Fixed Rate Notes)]

[Condition 4(a) (Interest on Fixed Rate Notes) shall not apply. The interest payable in respect of each Note shall be calculated as follows:

(i) With respect to any Fixed Interest Period (defined below) for which the Bonus Condition (as defined below) is met, the amount of interest ("I") payable in relation to a Note shall be calculated as follows:

$$I = SD \times (\text{Base Rate} + \text{Bonus Rate})$$

(ii) With respect to any Fixed Interest Period for which the Bonus Condition is **not** met, the amount of interest payable in relation to a Note shall be calculated as follows:

$$I = SD \times \text{Base Rate}$$

where:

"**Base Rate**" means [•] per cent.;

"**Bonus Averaging Date**" means, in relation to each Fixed Interest Period, the relevant Bonus Averaging End Date and each of the [*specify number*] of [[days]/[Scheduled Trading Days]/[Business Days]/[Exchange Business Days]/[Commodity Business Days]/[specify other]] preceding such Bonus Averaging End Date;

"**Bonus Averaging End Date**" means, in relation to each Fixed Interest Period, the date specified in the column headed "Bonus Averaging End Date" in the table below, provided that if such date is not a [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify]], the [[immediately preceding]/[specify]] [[Scheduled Trading

Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify other]] shall be the Bonus Averaging End Date;

the "**Bonus Condition**" is deemed to be met in relation to a Fixed Interest Period if the Bonus Level in relation to such Fixed Interest Period is [above] the Initial Level;

"**Bonus Level**" means, with respect to each Fixed Interest Period, the [[daily arithmetic average]/[specify] of the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/[Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on each Bonus Averaging Date for such Fixed Interest Period;

"**Bonus Rate**" means [•] per cent.;

"**Fixed Interest Period**" means each of the periods specified in the column headed "Fixed Interest Period" in the table below;

"**Initial Level**" means the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/[Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on the [[Issue Date]/[specify]];and

"**SD**" means Specified Denomination.]

<i>Fixed Interest Period</i>		<i>Interest Payment Date</i>	<i>Bonus Averaging End Date</i>
<i>from but excluding</i>	<i>to and including</i>		
[•]	[•]	[•]	[•]

- (b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]/[Each date specified in the column headed "*Interest Payment Date*" in the table in paragraph [16](a) above]/[specify other]

[N.B. This will need to be amended in the case of long or short coupons]
- (c) Fixed Coupon Amount(s): [[•] per Calculation Amount/ Not applicable]
- (d) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date following [in/on] [•]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA/ISDA) or [specify other]]
- (f) Determination Date(s): [•] [in each year]/ [Each Interest Payment Date in the table in paragraph [16](a) above]/[specify other]

[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.

N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.

N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

17. **Floating Rate Note Provisions**

[Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Specified Period(s)/Specified Interest Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [•]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]
- (g) Screen Rate Determination: [•]
- Reference Rate: [•]
[Either LIBOR, EURIBOR or other, although additional information is required if "other" – including fallback provisions in Clause [8.2] of the Agency Agreement]
 - Interest Determination Date(s): [•]
[Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 system is open prior to the start of each Interest Period if EURIBOR or euro LIBOR]
 - Relevant Screen Page: [•]

[In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.]

- (h) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (i) Margin(s): [+/-] [•] per cent. per annum
- (j) Minimum Rate of Interest: [•] per cent. per annum
- (k) Maximum Rate of Interest: [•] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ICMA/ISDA)]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360]
 [30E/360]
 [30E/360 (ISDA)]
 [Specify other]
- (See Condition 4(b) (Interest on Floating Rate Notes) for alternatives)*
- (m) Determination Date: [•] [in each year]
- NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA).*
- (n) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
18. **Dual Currency Note Provisions** [Applicable/Not applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [Give name and address]

- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: [•]
19. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Amortisation: [•] per cent. per annum
- (b) [Reference Price: [•]]
- (c) Any other formula/basis of determining amount payable: *[Consider whether it is necessary to specify a Day Count Fraction]*
- (d) Early Redemption Amount: [Amortised Face Amount/Fair Market Value]

PROVISIONS RELATING TO REDEMPTION

20. Final Redemption Amount of each Note: [•] per Calculation Amount
21. Early Redemption Amount:
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/Final Redemption Amount/ Fair Market Value]
(If both the Early Redemption Amount (Tax) and the Early Redemption Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Redemption Amount if different from the principal amount of the Notes)]
22. Issuer Call Option [Applicable/Not applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
[N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.]
- (c) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market Value/specify other]

- (d) Rounding: [Details of rounding]
- (e) If redeemable in part:
- (i) Minimum Redemption Amount: [•] per Calculation Amount
- (ii) Maximum Redemption Amount: [•] per Calculation Amount
23. Noteholder Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
- [N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent or Trustee.]*
- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market Value/specify other]
- (d) Rounding: [Details of rounding]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- [Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]*^{*}
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]*
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]*^{*}
- [Registered Notes: Registered Global Note ([•] nominal amount)]
- [Uncertificated Registered Notes]
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not applicable/give details]

* If a Global Note is exchangeable for Definitive Notes, the Notes shall be tradable only in principal amounts of at least the Specified Denomination specified in paragraph 6 and multiples thereof.

[Note that this item relates to the place of payment and not Interest Period end dates to which item 16(d) relates]

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not applicable/*give details*]
- (b) Instalment Date(s): [Not applicable/*give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/*give details*]
29. Other final terms: [Not applicable/*give details*]
- [When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

DISTRIBUTION

30. (a) If syndicated, names [and addresses] of Managers: [Not applicable/*give names [and addresses]**]
- [If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.]*
- (b) Date of [Subscription] Agreement: [•]
31. If non-syndicated, name [and address]* of relevant Dealer: [Not applicable/*give name [and address]**]
- [Where the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Dealer.]*
32. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
33. U.S. Selling Restrictions: [Reg. S Compliance Category: [2];
TEFRA D/TEFRA C/TEFRA not applicable]

34. Additional selling restrictions: [Not applicable/give details]

TAXATION

35. Taxation: Condition 7A (*Taxation - No Gross up*)
[applies/does not apply] [(Condition 7A will apply for all issues of Notes unless specified otherwise)]

[Condition 7B (*Taxation - Gross Up*)
[applies/does not apply]]

SECURITY

36. Security Provisions: [Applicable/Not applicable]

[Security Provisions will be applicable if the Notes are Secured Notes. If not applicable, delete the remaining sub-paragraphs of this paragraph]

(a) Whether Collateral Pool secures this Series of Notes only or this Series and other Series: [This Series only/This Series and other Series].

(b) Date of Supplemental Trust Deed relating to the Collateral Pool securing the Notes and Series Number of first Series of Secured Notes secured thereby: Supplemental Trust Deed dated [•] securing [this Series only/Series Number [•] among others]

(c) Eligible Collateral:	Valuation Percentage	Maximum Percentage
(i) Cash in an Eligible Currency	[•]%	[•]%
(ii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of not more than one year	[•]%	[•]%
(iii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than one year but not more than 10 years	[•]%	[•]%
(iv) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than 10 years	[•]%	[•]%
(v) Negotiable senior debt obligations issued or guaranteed by any of the following entities:	[•]%	[•]%

	Name of Entity	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(vi)	Negotiable subordinated debt obligations issued [or guaranteed] by any of the following entities:	[•]%	[•]%
	Name of Entity [and description of subordinated debt, where appropriate]	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(d)	Valuation Dates:	[•]	
(e)	Eligible Currency(ies):	[•]	
(f)	Base Currency:	[•] <i>[NB: Base Currency should be same as Specified Denomination of the Notes]</i>	
(g)	Minimum Transfer Amount:	[•]	
(h)	Independent Amount:	[•]	
37.	Collateral Credit-Linkage		
(a)	Whether Collateral Credit-Linkage applies to this Series of Secured Notes:	[Yes/No]	<i>[If no, delete the remaining sub-paragraphs of this paragraph.]</i>
(b)	If so, whether Simplified Credit-Linkages or ISDA Credit-Linkage applies:	[Simplified Credit-Linkage/ISDA Credit-Linkage]	
	<i>[The following provisions only apply where Simplified Credit-Linkage is applicable. If not, delete this sub-paragraph:]</i>		

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	Collateral Reference Entity Weighting (%)
[•]	[•]
[•]	[•]
[•]	[•]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Recovery Rate: [General Recovery Rate]/[Specific Recovery Rate] shall apply.

[The following provisions only apply where ISDA Credit-Linkage is applicable. If not, delete this sub-paragraph:]

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	[Transaction type]/[Applicable Credit Events]	Collateral Reference Entity Weighting (%)
[]:	[specify [e.g. North American Corporate] or [[Bankruptcy], [Failure to Pay], [Obligation Acceleration], [Obligation Default], [Repudiation/Moratorium], [Restructuring]]]	[]
[]:	[]	[]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Credit Event Redemption Amount: For the purposes of the Credit Event Redemption Amount (but only if Final Price is applicable):

Valuation Method: [Market/Highest/specify other]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange and the listing on the Official List of the Financial Services Authority of Notes described herein pursuant to the £2,000,000,000 Impala Structured Notes Programme of Investec Bank plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. *[[specify the third party information]* has been extracted from *[specify source of information]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from

information published by [*specify source of information*], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION1. **LISTING**

- (i) Listing: [London]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market]] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [].] [Not applicable.]

[Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.]

2. **RATINGS**

Ratings: [The long-term senior debt of the Issuer has been rated:]/[The Notes to be issued have been rated:

[S & P*: []]

[Moody's*: []]

[Fitch*: []]

[[Other]*: []]

*[*The exact legal name of the rating agency entity providing the rating should be specified-for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.]*

[The Notes to be issued have not been rated.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]

[Insert legal name(s) of particular credit rating agency/agencies] is/are established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").]

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").]

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but is/are certified under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").]

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA and is/are not certified under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation") and the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: []

(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: []

[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

[(iii)] Estimated total expenses: []

[Include breakdown of expenses]

[If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

The Issuer *[intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].*

8. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT]**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

9. **OPERATIONAL INFORMATION**
- (i) ISIN Code: []
- (ii) [SEDOL Code:] []
- (iii) Common Code: []
- (iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): []
- (v) Delivery: []
- (vi) Settlement procedures: []
- (vii) Additional Paying Agent(s) (if any): []
- (viii) Common Depository: []
- (ix) Calculation Agent: []
- is Calculation Agent to make calculations? []
 - if not, identify calculation agent: []
- (x) Other relevant General Terms and Conditions: []
- (xi) Other Final Terms: []
10. **TERMS AND CONDITIONS OF THE OFFER**
- (i) Offer Price: []
- (ii) Offer Period: []
- (iii) Conditions to which the offer is subject: []
- (iv) Description of the application process: []
- (v) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: []
- (vi) Details of the minimum and/or maximum amount of application: []
- (vii) Details of the method and time limits for paying up and delivering the Notes: []

- (viii) Manner in and date on which results of the offer are to be made public: []
- (ix) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: []
- (x) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: []
- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: []
- (xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: []
- (xiii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: []

**SUMMARY OF PROVISIONS RELATING TO THE NOTES
WHILE IN GLOBAL FORM**

The Notes of each Series will be in either bearer form, with or without interest coupons attached, certificated registered form or uncertificated registered form, in each case without interest coupons attached.

Bearer Notes

Each Tranche of Notes in bearer form will be initially issued in the form of a temporary bearer global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent bearer global note (a "**Permanent Bearer Global Note**" and, together with the Temporary Bearer Global Note, the "**Global Notes**") which, in either case, will be delivered on or prior to the issue date of the relevant Tranche to a common depository (the "**Common Depository**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a similar certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, **provided that** purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. Where the applicable Final Terms specify that a Permanent Bearer Global Note will be exchangeable on 60 days' notice given at any time, the Notes must not have a Specified Denomination which includes the concept of higher integral multiples above the minimum denomination. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 9 (*Events of Default*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative or successor clearing system satisfactory to the Trustee is available or (iii) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the

instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes that are not in registered form for U.S. tax purposes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Temporary Bearer Global Note or a Permanent Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Registered Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Transfers of Registered Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(d) (*Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(d) (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Notwithstanding Condition 5(d) (*Payments in respect of Registered Notes*), for so long as any Registered Note in global form is held through a clearing system, payments of any amount in respect of the Registered Notes will be made to the person shown in the Register as the Registered Holder of the Notes represented by a Registered Note at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where the "**Clearing System Business Day**" means a day on which each clearing system for which the Global Trust Certificate is being held is open for business. None of the Issuer, the Trustee, any Paying Agent or the Registrar will

have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable see "*Subscription and Sale*".

For purposes of clarity, references herein to "**Registered Notes**" do not include Notes issued in uncertificated registered form (the "**Uncertificated Registered Notes**"), and Registered Notes, in either global or definitive form, are not exchangeable for Uncertificated Registered Notes and *vice versa* (except that Uncertificated Registered Notes shall be exchanged for Registered Definitive Notes in certain limited circumstances specified in the Trust Deed, including in circumstances where such Uncertificated Registered Notes cease to be participating securities capable of being held in CRESTCo. Limited).

Uncertificated Registered Notes

Each Tranche of Uncertificated Registered Notes will be in uncertificated registered form comprising Notes which are uncertificated units of a security in accordance with the Regulations.

Uncertificated Registered Notes will be credited to the subscribers' accounts with CRESTCo. Limited on the issue date thereof upon certification as to non-U.S. beneficial ownership.

Uncertificated Registered Notes will not be exchangeable for Notes in definitive registered form.

Title to Uncertificated Registered Notes is recorded on the relevant Operator register of corporate securities.

Each person who is for the time being shown in the Record (as defined under "*General Terms and Conditions of the Notes*") as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer, the CREST Registrar and the Trustee as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Uncertificated Registered Notes**" and related expressions shall be construed accordingly).

Further Tranches

Pursuant to the Agency Agreement (as defined under "*General Terms and Conditions of the Notes*") (in the case of Notes other than Uncertificated Registered Notes) or the Computershare Agency Agreement (in the case of Uncertificated Registered Notes), the Principal Paying Agent or the CREST Registrar (as the case may be) shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code (except in the case of Uncertificated Registered Notes) and ISIN number which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

Other provisions relating to Notes held in Euroclear and/or Clearstream, Luxembourg

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular

nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

The Final Terms in respect of any Notes in the form of a Global Note or a Registered Global Note will provide that, notwithstanding Condition 5(h) (*Payment Day*), "**Payment Business Day**" means, so long as such Notes are represented by a Global Note or, as the case may be, a Registered Global Note, (i) each Additional Financial Centre specified in the applicable Final Terms and (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (2) in relation to any sum payable in euro, a TARGET Settlement Day (as defined in Condition 4 (*Interest*)).

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

USE OF PROCEEDS

The net proceeds from each issue of Notes will, unless specified in the applicable Final Terms, be used by the Issuer for making profit and/or hedging certain risks. If, in respect of any particular issue of Notes which are derivative securities for the purpose of Article 15 of the Commission Regulation No 809/2004 implementing the Prospectus Directive, there is another particular identified use of proceeds (other than making profit and/or hedging certain risks), this will be stated in the applicable Final Terms.

TAXATION

United Kingdom Taxation

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders should ensure that they understand their tax position before acquiring any Notes. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to make sure they understand their tax position and whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

1. *UK Withholding Tax on UK Source Interest*

The Notes issued by the Issuer which carry a right to interest ("**UK Notes**") will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange. Whilst the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom Official List and admitted to trading on the Regulated Market of the London Stock Exchange.

In addition to the exemption set out above, interest on the UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a "bank" for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the Issuer in the ordinary course of its business. In accordance with the published practice of HMRC, such payments will be accepted as being made by the Issuer in the ordinary course of its business unless either:

- (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the FSA whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or
- (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

In all cases falling outside the exemptions described above, interest on the UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the

provisions of any applicable double taxation treaty, or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

On 27 March 2012, HMRC published a Consultation Document on "Possible changes to income tax rules on interest" which includes proposals relating to the imposition of United Kingdom withholding tax. One potential change is that the quoted Eurobond exemption from withholding tax on UK interest will not be available where Notes are issued between group companies and listed on a stock exchange on which there is no substantial or regular trading in the Notes. It is also proposed that the withholding tax obligation in respect of UK interest payments be extended so that it may apply to interest on Notes issued for a term of less than one year. It is not possible to identify at this time to what extent, if at all, these proposals will be implemented.

2. *Provision of Information*

Noteholders should note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. In certain circumstances, the information so obtained may be passed by HMRC to the tax authorities of certain other jurisdictions.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes which constitute "deeply discounted securities" for the purposes of section 430 of the Income Tax (Trading and Other Income) Act 2005 (although, in this regard, HMRC published guidance for the year 2012/2013 which indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year).

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

3. *EU Savings Directive*

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

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

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Prospective investors considering acquiring any Notes should understand the risks posed by the Directive in relation to transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances.

4. *Other Rules Relating to UK Withholding Tax*

Notes may be issued at an issue price of less than 100 per cent of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom

withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "**interest**" above mean "**interest**" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation (e.g. See Condition 5 (*Payments*) of the Notes). Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as these terms are understood in United Kingdom tax law. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) of the Notes or otherwise and does not consider the tax consequences of any such substitution.

SUBSCRIPTION AND SALE

The Dealer has, in a programme agreement (the "**Programme Agreement**") dated 21 June 2012, agreed with the Issuer a basis upon which it and any other dealers from time to time appointed under the Programme or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Summary of Provisions relating to the Notes while in Global Form*" and "*General Terms and Conditions of the Notes*". The Notes may be sold by the Issuer through the Dealer(s), acting as agent(s) of the Issuer. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes may include Notes in bearer form for U.S. tax purposes which are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. The Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Approved Prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that

Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus which has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision only, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this document nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Issuer or the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision of any Swiss regulatory authority, such as, the Swiss Financial Market

Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such regulatory authority.

Should any Series of Notes be publicly offered, admitted to trading or listed in Switzerland, this will be set out in the relevant Final Terms and the Issuer will amend the Final Terms and/or prepare supplemental documents to the extent required by Swiss law and/or the rules and regulations of the SIX Swiss Exchange. Investors should in such case also consult any such document before making any investment decision. In this event, the series of Notes does not represent a participation in any of the collective investment schemes pursuant to Art. 7 et seq. of the Swiss Collective Investment Scheme Act and thus is not subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA. Therefore, investors in the Notes would not be eligible for the specific investor protection under the Swiss Collective Investment Scheme Act.

South Africa

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not and will not offer or solicit any offers for sale or subscription or sell any Notes, in each case except in accordance with the South African exchange control regulations, the South African Companies Act, 2008 and any other applicable laws and regulations of South Africa in force from time to time. In particular, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer Notes for subscription, or otherwise sell any Notes, to any person who, or which, is a Resident (as defined in the South African exchange control regulations) other than in strict compliance with the South African exchange control regulations in effect from time to time, and, without prejudice to the foregoing, that it will take all reasonable measures available to it to ensure that no Note will be purchased by, or sold to, or beneficially held or owned by, any Resident (as defined in the South African exchange control regulations) other than in strict compliance with the South African exchange control regulations in effect from time to time.

Isle of Man

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it shall only offer or sell Notes in or from the Isle of Man if it holds an appropriate investment business licence issued by the Isle of Man Financial Supervision Commission (the "**FSC**") under section 7 of the Isle of Man Financial Services Act 2008 (the "**FSA 2008**"); and
- (b) where it does not hold such a licence, it shall only offer or sell Notes to an "**Isle of Man person**" (within the meaning of the Isle of Man Regulated Activities Order 2011 (the "**Order**")) where it is an "**overseas person**" (within the meaning of the Order) who is authorised to offer and sell the Notes by a regulator outside the Isle of Man and either:
 - (i) the offer or sale of the Notes is the direct result of an approach made to the Dealer by or on behalf of the Isle of Man person which has not been solicited by the Dealer (otherwise than by means of an advertisement which is neither targeted at Isle of Man persons nor disseminated by a medium which is targeted at Isle of Man persons); or
 - (ii) the Isle of Man person:
 - (A) holds a licence issued by the FSC under section 7 of the FSA 2008 to carry on, or hold themselves out as carrying on, a regulated activity; or
 - (B) is a person falling within exclusion 2(r) contained in Schedule 1 to the Order; or
 - (C) is a person whose ordinary business activities involve him in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of his business.

Guernsey

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes may only be offered or sold in or from within the Bailiwick of Guernsey either (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**"); or (ii) to persons licensed under the POI Law; or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, Etc, (Bailiwick of Guernsey) Law, 2000.

Jersey

The Issuer does not hold a consent under the Control of Borrowing (Jersey) Order 1958 ("**COBO**"), however, this prospectus may be circulated in Jersey by the Dealer pursuant to COBO on the basis that this offer is "valid in the United Kingdom" and that the Issuer does not have a "relevant connection" with Jersey, as such terms are defined in COBO.

General

The Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Trustee and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Trustee or any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 19 June 2012. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Listing and Admission to Trading

This document has been approved by the FSA as a base prospectus in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. Application has also been made for the Notes to be admitted during the twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange.

Documents Available

So long as any of the Notes are outstanding and throughout the life of the Programme, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London:

- (i) the Memorandum and Articles of Association of the Issuer;
- (ii) the audited consolidated annual financial statements of the Issuer in respect of the financial years ended 31 March 2011 and 31 March 2010, together with the auditor's reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (iii) the unaudited half yearly financial report of the Issuer for the six months ended 30 September 2011;
- (iv) the amended preliminary unaudited consolidated financial information for the year ended 31 March 2012;
- (v) the Programme Agreement, the Trust Deed, the Agency Agreement, the Computershare Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (vi) a copy of this Base Prospectus;
- (vii) any future offering circulars, prospectuses, information memoranda and supplements including, free of charge, Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference; and
- (viii) in the case of each issue of Notes admitted to trading on the Regulated Market of the London Stock Exchange subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

Clearing Systems

The Notes (other than Uncertificated Registered Notes) have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The relevant ISIN and Common Code will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The Uncertificated Registered Notes are participating securities for the purposes of the Regulations. The Operator is in charge of maintaining the Operator register of corporate securities. Title to the Uncertificated Registered Notes is recorded and will pass on registration in the Operator register of corporate securities. As at the date of this Base Prospectus, the relevant Operator for the purposes of the Regulations is CRESTCo. Limited.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CRESTCo. Limited is 33 Cannon Street, London EC4M 5SB, United Kingdom.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in the line items (i) Operating costs; (ii) Operating profit before amortisation of acquired intangibles, integration costs, non-operating items, taxation and after non-controlling interests; (iii) Earnings attributable to ordinary shareholders; and (iv) Cost to income ratio, each contained at page 2 of the amended preliminary unaudited consolidated financial information for the year ended 31 March 2012, there has been no significant change in the financial or trading position of the Issuer or its group since the year ended 31 March 2012, the most recent period for which it has published amended preliminary unaudited financial information.

There has been no material adverse change in the prospects of the Issuer since the financial year ended 31 March 2011, the most recent financial year for which it has published audited financial statements.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the twelve months preceding the date of this Base Prospectus which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer or the group.

Auditors

The audited consolidated financial statements of the Issuer for the financial years ended 31 March 2010 and 31 March 2011 have been audited without qualification by Ernst & Young LLP, chartered accountants registered auditors and independent auditors (authorised and regulated by the Financial Services Authority for designated investment business) whose address is 1 More London Place, London SE1 2AF.

Post-issuance information

The Issuer does not intend to provide any post-issuance information, except if required by any applicable laws and regulations.

Dealers transacting with the Issuer

The Dealers from time to time appointed under the Programme and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

PART B - RATE-LINKED NOTES

General Description

Under the Programme, the Issuer may from time to time issue "**Rate-Linked Notes**", being Notes in relation to which the interest payable and/or the redemption amount payable at maturity is determined by reference to one or more specified rates, or the performance thereof over a defined period of one or more specified dates, as may be specified in the applicable Final Terms of each Series of Notes. This Part provides information in relation to certain types of Rate-Linked Notes that may be issued. This Part should be read together with Part A of this Base Prospectus.

Further Information relating to certain types of Rate-Linked Notes

Rate-Linked Notes issued under the Programme may have a redemption amount which is linked to one or more specified rates in accordance with the provisions set out below.

In addition, Notes may be Zero Coupon Notes, in which case they will bear no interest, or they may, among other things, be Fixed Rate Notes or Floating Rate Notes, in which case they will bear interest at a fixed rate or floating rate, as applicable, or may bear interest in an amount which is linked to one or more specified rates in accordance with the provisions set out below.

The terms and conditions of Rate-Linked Notes may include one or any of the provisions set out below (or any combination thereof), as specified in the applicable Final Terms.

1. **Inverse Floater Rate-Linked Notes**

A. *Further Information relating to Inverse Floater Rate-Linked Notes*

Inverse Floater Rate-Linked Notes are Rate-Linked Notes which provide for floating interest payments periodically throughout the life of the Notes. The Rate of Interest, and hence the Interest Amount payable in relation to any Interest Period, will be dependent upon a reference rate specified in the applicable Final Terms. The Rate of Interest, on the basis of which the Interest Amount is determined, is linked inversely to the performance of the Reference Rate specified in the applicable Final Terms. The Rate of Interest payable is determined by the Calculation Agent by deducting the Reference Rate from a fixed rate (the "**Fixed Reference Rate**") specified in the applicable Final Terms.

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, and unless otherwise specified in the applicable Final Terms, the Final Redemption Amount of the Notes will be at par.

In addition, the determination of the Rate of Interest and Interest Amount may be subject to a Minimum Rate of Interest and/or a Maximum Rate of Interest and may further be subject to a leverage factor (the "**Gearing**").

B. *Formula for determination of Rate of Interest and other optional provisions relating to Inverse Floater Rate-Linked Notes potentially to be included in Final Terms*

The Rate of Interest in respect of any Inverse Floater Rate-Linked Notes for any Interest Period shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Gearing} \times (\text{Fixed Reference Rate} - \text{Reference Rate}) \text{ subject to a Minimum Rate of Interest and Maximum Rate of Interest}$$

where:

"**Fixed Reference Rate**" means, (i) *n* per cent. per annum as specified in the applicable Final Terms;

"**Gearing**" means *n* per cent., as specified in the applicable Final Terms; and

"**Reference Rate**" has the meaning given to it in the applicable Final Terms.

2. **Steeper Rate-Linked Notes**

A. *Further Information relating to Steeper Rate-Linked Notes*

Steeper Rate-Linked Notes are Rate-Linked Notes that provide for either (a) floating interest payments, or (b) fixed interest payments and floating interest payments periodically throughout the life of the Notes. The Rate of Interest, and hence the Interest Amount payable in relation to any Interest Period, will be dependent upon one or more rates specified in the applicable Final Terms. The Rate of Interest will depend upon, *inter alia*, the difference of two floating Reference Rates.

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, and unless otherwise specified in the applicable Final Terms, the Final Redemption Amount of the Notes will be at par.

In addition, the determination of the Rate of Interest and Interest Amount may be subject to a Minimum Rate of Interest and/or a Maximum Rate of Interest and may further be subject to a leverage factor (the "**Gearing**").

B. *Formula for determination of Rate of Interest and other optional provisions relating to Steeper Rate-Linked Notes potentially to be included in Final Terms*

The Rate of Interest applicable per Calculation Amount in respect of any Steeper Rate-Linked Notes for any Interest Period for any floating interest payment shall be an amount determined by the Calculation Agent in accordance with the applicable formula, as follows:

$$\text{Gearing} \times \text{Max} ((\text{Reference Rate 1} - \text{Reference Rate 2} - \text{Fixed Reference Rate}), 0), \text{ subject to a Minimum Rate of Interest and Maximum Rate of Interest}$$

where:

"**Fixed Reference Rate**" means, *n* per cent. per annum as specified in the applicable Final Terms;

"**Gearing**" means *n* per cent., as specified in the applicable Final Terms;

"**Reference Rate 1**" has the meaning given to it in the applicable Final Terms; and

"**Reference Rate 2**" has the meaning given to it in the applicable Final Terms.

3. **Range Accrual Rate-Linked Notes**

A. *Further Information relating to Range Accrual Rate-Linked Notes*

Range Accrual Rate-Linked Notes are Rate-Linked Notes that provide for interest to be paid either (i) at Interest Payment Dates occurring at regular intervals throughout the life of the Notes; or (ii) in a single amount on the Interest Payment Date falling on the Maturity Date, as specified in the Final Terms. The Interest Amount that an investor in the Notes receives is linked to the performance of an underlying reference rate ("**Reference Rate 1**") specified in the applicable Final Terms and on how many actual days during the Interest Period ending on such Interest Payment Date the level of Reference Rate 1 remains within a range of levels, the upper and lower limit of which will be specified in the applicable Final Terms. If the level of Reference Rate 1, is below the lower limit or higher than the upper limit on some or all of the actual days in an Interest Period, the investor may receive low or even zero interest payments, respectively, for the relevant Interest Period.

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, and unless otherwise specified in the applicable Final Terms, the Final Redemption Amount of the Notes will be at par.

B. ***Formulae for determination of Rate of Interest and other optional provisions relating to Range Accrual Rate-Linked Notes potentially to be included in Final Terms***

Rate of Interest

The Rate of Interest payable in respect of the Notes for any Interest Period shall be a rate determined by the Calculation Agent in accordance with the following formula:

$$\text{Relevant Rate} \times \text{Accrual Factor}$$

where:

"**Accrual Factor**" is calculated as the actual number of days during each Interest Period in which the level of Reference Rate 1, is greater than or equal to the Lower Range and less than or equal to the Upper Range divided by the actual number of days during such Interest Period; *provided that*, (i) for days that are not Business Days, the level of Reference Rate 1 shall be the same as the previous Business Day's fixing, and (ii) the final fixing of the level of Reference Rate 1 in the respective Interest Period will be as of the day that is five (5) Business Days prior to the respective Interest Payment Date and that day's fixing shall apply in respect of the remaining days of the respective Interest Period;

"**Relevant Rate**" shall be any of the fixed Rate of Interest specified in the Fixed Rate provisions of the applicable Final Terms, the Reference Rate specified in the Floating Rate or the relevant rate specified in the applicable Final Terms, as applicable (and calculated by the Calculation Agent in accordance with the terms and fixed on the dates specified therein);

"**Lower Range**" is a fixed value specified in the applicable Final Terms;

"**Reference Rate 1**" has the meaning given to it in the applicable Final Terms; and

"**Upper Range**" is a fixed value specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

Risk Factors in relation to the Rate-Linked Notes

An investment in Rate-Linked Notes involves risks. For the risks involved, please see the section entitled "*Risk Factors*" set out in Part A of this Base Prospectus and the section entitled "*Risk Factors related to Rate-Linked Notes*".

PART C - FX-LINKED NOTES

General Description

Under the Programme, the Issuer may from time to time issue "**FX-Linked Notes**", being Notes in relation to which the interest payable and/or redemption amount payable at maturity is determined by reference to one or more currencies (the "**Subject Currency**") as compared to the value of one or more other currencies (the "**Base Currency**"), or the performance thereof over a defined period, as may be specified in the applicable Final Terms of each Series of Notes. This Part provides information in relation to such FX-Linked Notes, including standard terms for FX-Linked Notes set out below (the "**Terms**" in relation to FX-Linked Notes), pro-forma Final Terms and information in relation to certain types of FX-Linked Notes that may be issued. This Part should be read together with Part A of this Base Prospectus.

Further Information relating to certain types of FX-Linked Notes

FX-Linked Notes issued under the Programme may have a redemption amount which is linked to one or more currencies as compared to the value of one or more other currencies, or the performance thereof over a defined period in accordance with the provisions set out below.

In addition, Notes may be Zero Coupon Notes, in which case they will bear no interest, or they may, among other things, be Fixed Rate Notes or Floating Rate Notes, in which case they will bear interest at a fixed rate or floating rate, as applicable, or may bear interest in an amount which is determined by reference to one or more currencies as compared to the value of one or more other currencies, or the performance thereof over a defined period in accordance with the provisions set out below.

The terms and conditions of FX-Linked Notes may include one or any of the provisions set out below (or any combination thereof), as specified in the applicable Final Terms.

1. **Capital Less Down and In Barrier Plus Callable/Kickout Upside FX-Linked Notes**

A. *Further Information relating to Capital Less Down and In Barrier Plus Callable/Kickout Upside FX-Linked Notes*

Capital Less Down and In Barrier Plus Callable/Kickout Upside FX-Linked Notes are FX-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Less Down and In Barrier Plus Callable/Kickout Upside FX-Linked Notes, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying Subject Currency or a basket of Subject Currencies as specified in the applicable Final Terms.

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, as of the applicable Valuation Time satisfies one of the following conditions (the applicable condition relevant to the Automatic Early Redemption Valuation Date being specified in the applicable Final Terms):

- (a) the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, is greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to that Automatic Early Redemption Valuation Date; or
- (b) the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, falls within an Automatic Early Redemption Range specific to that Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

(each, an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates

specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

If such an Automatic Early Redemption Event occurs, and the investors receive the relevant Automatic Early Redemption Amount specified in the applicable Final Terms, the amount so received could be less than the amount that the investors would have received on maturity if the Notes had not redeemed early. If the Settlement Price of the Subject Currency or the basket of Subject Currencies is not greater than or equal to the specified Automatic Early Redemption Price or within the Automatic Early Redemption Range, as applicable, on the relevant Automatic Early Redemption Valuation Date, the Notes will not be redeemed early pursuant to such provisions and Noteholders will forego such Automatic Early Redemption Amount, which may have been greater than the Final Redemption Amount that the investors may ultimately receive on the Maturity Date.

The payment at the Maturity Date in relation to the Notes depends upon the performance of the underlying Subject Currency or basket of Subject Currencies. The Final Terms of the Notes will set out the alternatives for the Final Redemption Amount of the Notes. The alternative which is applicable depends upon whether the Settlement Price, determined on the relevant Valuation Date(s) and/or Observation Date(s) is greater than (or, if specified in Final Terms, greater than or equal to) a barrier (the "**Barrier Level**") specified in the Final Terms (the "**Barrier Condition**").

Investors in the Notes will receive at least a return of their initial investment if either of the following conditions are satisfied:

- (a) the Barrier Condition is satisfied; or
- (b) the Barrier Condition is not satisfied, but the Settlement Price, is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Price.

The two alternative Final Redemption Amounts that may be payable at the Maturity Date if either of the above two conditions are satisfied will be one of the following:

- (a) an amount linked to the Settlement Price; or
- (b) a fixed percentage return (a "**Digital Return**") for each Note.

If the Barrier Condition is not satisfied, and the Settlement Price, is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Price, as applicable, the investors may lose some or all of their investment.

In addition, if the Final Redemption Amount is linked to the Settlement Price, the Final Redemption Amount may have any of the following features:

- (a) it, or any of the components of the performance, may be subject to a cap
The Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.
- (b) the return may be subject to a leverage factor (the "**Gearing**" in case of a positive return or "**Barrier Gearing**" in case of a negative return).

The Settlement Price may be determined on the basis of (i) a spot rate of exchange for the Base Currency/Subject Currency on a specified date, or (ii) the average of the spot rates of exchange for the Base Currency/Subject Currency relating to a number of averaging dates.

Where the applicable Final Terms specify that the Underlying Asset is a basket of Subject Currencies, the Final Terms may further specify either "Best of n Subject Currencies" or "Worst of n Subject Currencies" as applicable. If "Best of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the highest Settlement Prices in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies. If "Worst of n Subject Currencies" is specified, the Settlement Price of

the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the lowest Settlement Prices, in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies.

Further, the Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.

B. *Formulae for determination of Redemption Amounts and other optional provisions relating to Capital Less Down and In Barrier Plus Callable/Kickout Upside FX-Linked Notes potentially to be included in Final Terms*

Automatic Early Redemption Amount

Automatic Early Redemption shall be applicable to the Notes if the Automatic Early Termination Event specified in the applicable Final Terms occurs.

The Automatic Early Termination Event will occur if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Settlement Price of the Subject Currency, or the basket of Subject Currencies, as applicable, as of the applicable Valuation Time is, either:

- (a) greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to the relevant Automatic Early Redemption Valuation Date; or
- (b) within an Automatic Early Redemption Range specific to the relevant Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

as specified in the applicable Final Terms, where:

"Automatic Early Redemption Range" means, if applicable, the range from (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Lower Limit to (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Upper Limit;

"Automatic Early Redemption Lower Limit" means, in relation to an Automatic Early Redemption Valuation Date, the Settlement Price per Subject Currency or per basket of Subject Currencies, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable); and

"Automatic Early Redemption Upper Limit" means, in relation to an Automatic Early Redemption Valuation Date, the Settlement Price per Subject Currency or per basket of Subject Currencies, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable).

If an Automatic Early Redemption Event is deemed to have occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Event will become payable on the immediately following Automatic Early Redemption Date.

For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

Final Redemption Amount

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

- (a) if (X) the Barrier Condition is satisfied; OR (Y) (A) the Barrier Condition is not satisfied, and (B) the Settlement Price is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Price, either:

(i)

$$\text{Specified Denomination} \times \left[100\% + \text{Min} \left\{ \text{Cap, Gearing} \times \frac{\text{Settlement Price} - \text{Initial Price}}{\text{Initial Price}} \right\} \right]$$

OR

(ii) Digital Return,

as specified in the applicable Final Terms.

(b) if (A) the Barrier Condition is not satisfied, and (B) the Settlement Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Price:

$$\text{Specified Denomination} \times \text{Max} \left[0, \text{Barrier Gearing} \times \left(\frac{\text{Settlement Price}}{\text{Initial Price}} - 1 \right) + 100\% \right]$$

where:

"Barrier Condition" means:

- (a) if **"European"** is specified in the applicable Final Terms, that the Settlement Price is greater than (or greater than or equal to) the Barrier Level on the Valuation Date;
- (b) if **"American"** is specified in the applicable Final Terms, that the Settlement Price is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date, where such Observation Dates shall be a specified continuous period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the Settlement Price, is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date;

"Barrier Gearing", if applicable, means *n* per cent., as specified in the applicable Final Terms;**"Cap"**, if applicable, means *n* per cent., as specified in the applicable Final Terms;**"Digital Return"**, if applicable, means the Specified Denomination multiplied by *n* per cent., as specified in the applicable Final Terms; and**"Gearing"**, if applicable, means *n* per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

2. Capital Plus Callable/Kickout Upside FX-Linked Notes

A. Further Information relating to Capital Plus Callable/Kickout Upside FX-Linked Notes

Capital Plus Callable/Kickout Upside FX-Linked Notes are FX-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Plus Callable/Kickout Upside FX-Linked Notes, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying Subject Currency or a basket of Subject Currencies, as specified in the applicable Final Terms.

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, as of the applicable Valuation Time satisfies one of

the following conditions (the applicable condition relevant to the Automatic Early Redemption Valuation Date being specified in the applicable Final Terms):

- (a) Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, is greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to that Automatic Early Redemption Valuation Date; or
- (b) Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, falls within an Automatic Early Redemption Range specific to that Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

(each, an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

If such an Automatic Early Redemption Event occurs, and the investors receive the relevant Automatic Early Redemption Amount specified in the applicable Final Terms, the amount so received could be less than the amount that the investors would have received on maturity if the Notes had not redeemed early. If the Settlement Price of a Subject Currency or a basket of Subject Currencies is not greater than or equal to the specified Automatic Early Redemption Price or within the Automatic Early Redemption Range, as applicable, on the relevant Automatic Early Redemption Valuation Date, the Notes will not be redeemed early pursuant to such provisions and Noteholders will forego such Automatic Early Redemption Amount, which may have been greater than the Final Redemption Amount that the investors may ultimately receive on the Maturity Date.

The payment at the Maturity Date in relation to the Notes depends upon the performance of the underlying Subject Currency or basket of Subject Currencies.

The Final Redemption Amount to investors at maturity will be a return of principal plus the lesser of:

- (a) a cap (if so specified in the applicable Final Terms); and
- (b) the upside of the performance of the Subject Currency or basket of Subject Currencies multiplied by a leverage factor (the "**Gearing**"), as set out in the applicable Final Terms.

The Settlement Price may be determined on the basis of (i) a spot rate of exchange for the Base Currency/Subject Currency on a specified date, or (ii) the average of the spot rates of exchange for the Base Currency/Subject Currency relating to a number of averaging dates.

Where the applicable Final Terms specify that the Underlying Asset is a basket of Subject Currencies, the Final Terms may further specify either "Best of n Subject Currencies" or "Worst of n Subject Currencies" as applicable. If "Best of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the highest Settlement Prices in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies. If "Worst of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the lowest Settlement Prices, in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies.

Further, the Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.

B. ***Formulae for determination of Redemption Amounts and other optional provisions relating to Capital Plus Callable/Kickout Upside FX-Linked Notes potentially to be included in Final Terms***

Automatic Early Redemption Amount

Automatic Early Redemption shall be applicable to the Notes if the Automatic Early Termination Event specified in the applicable Final Terms occurs.

The Automatic Early Termination Event will occur if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, as of the applicable Valuation Time is either:

- (a) greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to the relevant Automatic Early Redemption Valuation Date; or
- (b) within an Automatic Early Redemption Range specific to the relevant Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

as specified in the applicable Final Terms,

where:

"**Automatic Early Redemption Range**" means, if applicable, the range from (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Lower Limit to (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Upper Limit;

"**Automatic Early Redemption Lower Limit**" means, in relation to an Automatic Early Redemption Valuation Date, the Settlement Price per Subject Currency or basket of Subject Currencies, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable); and

"**Automatic Early Redemption Upper Limit**" means, in relation to an Automatic Early Redemption Valuation Date, the Settlement Price per Subject Currency or basket of Subject Currencies, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable).

If an Automatic Early Redemption Event is deemed to have occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Event will become payable on the immediately following Automatic Early Redemption Date.

For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

Final Redemption Amount

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent as:

$$\text{Specified Denomination} \times \left[100\% + \text{Min} \left\{ \text{Cap, Gearing} \times \frac{\text{Settlement Price} - \text{Initial Price}}{\text{Initial Price}} \right\} \right]$$

where:

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms; and

"**Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

3. **Capital Plus Minimum Upside Plus Capped/Uncapped FX-Linked Notes**

A. ***Further Information relating to Capital Plus Minimum Upside Plus Capped/Uncapped FX-Linked Notes***

Capital Plus Minimum Upside Plus Capped/Uncapped FX-Linked Notes are FX-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Plus Minimum Upside Plus Capped/Uncapped FX-Linked Notes is linked to the performance of an underlying Subject Currency or a basket of Subject Currencies, as specified in the applicable Final Terms.

The return to investors on maturity will be a return of principal plus the greater of:

- (a) a specified minimum return (if so specified in the applicable Final Terms);
- and
- (b) the lesser of:
 - (i) the upside of the performance of the Subject Currency or basket of Subject Currencies, multiplied by a leverage factor (the "**Gearing**"), as set out in the applicable Final Terms; and
 - (ii) a cap (if so specified in the applicable Final Terms).

The Settlement Price may be determined on the basis of (i) a spot rate of exchange for the Base Currency/Subject Currency on a specified date, or (ii) the average of the spot rates of exchange for the Base Currency/Subject Currency relating to a number of averaging dates.

Where the applicable Final Terms specify that the Underlying Asset is a basket of Subject Currencies, the Final Terms may further specify either "Best of n Subject Currencies" or "Worst of n Subject Currencies" as applicable. If "Best of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the highest Settlement Prices in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies. If "Worst of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the lowest Settlement Prices, in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies.

Further, the Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Capital Plus Minimum Upside Plus Capped/Uncapped FX-Linked Notes potentially to be included in Final Terms***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} \times \left[100\% + \text{Max} \left(\text{Minimum Return}, \text{Min} \left\{ \text{Cap}, \text{Gearing} \times \frac{\text{Settlement Price} - \text{Initial Price}}{\text{Initial Price}} \right\} \right) \right]$$

where:

"**Cap**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms; and

"**Minimum Return**", if applicable, means n per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

4. **Capital Less Down and In Barrier Plus Upside Capped/Uncapped FX-Linked Notes**

A. **Further Information relating to Capital Less Down and In Barrier Plus Upside Capped/Uncapped FX-Linked Notes**

Capital Less Down and In Barrier Plus Upside Capped/Uncapped FX-Linked Notes are FX-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Less Down and In Barrier Plus Upside Capped/Uncapped FX-Linked Notes is linked to the performance of an underlying Subject Currency or a basket of Subject Currencies, as specified in the applicable Final Terms.

The payment at the Maturity Date in relation to the Notes depends upon the performance of the underlying Subject Currency or basket of Subject Currencies. The Final Terms of the Notes will set out the alternatives for the Final Redemption Amount of the Notes. The alternative which is applicable depends upon whether the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, determined on the relevant Valuation Date(s) is greater than (or, if specified in Final Terms, greater than or equal to) a barrier (the "**Barrier Level**") specified in the Final Terms (the "**Barrier Condition**").

Investors in the Notes will receive at least a return of their initial investment if either of the following conditions are satisfied:

- (a) the Barrier Condition is satisfied; or
- (b) the Barrier Condition is not satisfied, but the Settlement Price, as applicable, is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Price.

The Final Redemption Amounts payable at the Maturity Date if either of the above conditions are satisfied may be either (1) an amount linked to the Settlement Price; or (2) a fixed percentage return (a "**Digital Return**") for each Note. In the case of (1) the investors' return is linked to any positive performance of the underlying Subject Currency or basket of Subject Currencies.

If the Barrier Condition is not satisfied, and the Settlement Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Price, the investors may lose some or all of their investment.

In addition, if the Final Redemption Amount is linked to the Settlement Price, the Final Redemption Amount may have any of the following features:

- (a) it, or any of the components of the performance, may be subject to a cap

The Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.

- (b) the return may be subject to a leverage factor (the "**Gearing**").

The Settlement Price may be determined on the basis of (i) a spot rate of exchange for the Base Currency/Subject Currency on a specified date, or (ii) the average of the spot rates of exchange for the Base Currency/Subject Currency relating to a number of averaging dates.

Where the applicable Final Terms specify that the Underlying Asset is a basket of Subject Currencies, the Final Terms may further specify either "Best of n Subject Currencies" or "Worst of n Subject Currencies" as applicable. If "Best of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the highest Settlement Prices in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies. If "Worst of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the lowest Settlement Prices, in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies.

Further, the Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.

B. *Formula for determination of the Final Redemption Amount and other optional provisions relating to Capital Less Down and In Barrier Plus Upside Capped/Uncapped FX-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date will be determined by the Calculation Agent in accordance with the applicable formula, as follows:

- (a) if (i) the Barrier Condition is satisfied; OR (ii) (A) the Barrier Condition is not satisfied; and (B) the Settlement Price is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Price, as applicable:

(i)

$$\text{Specified Denomination} \left[100\% + \text{Max} \left\{ 0, \text{Min} \left(\text{Cap, Gearing} \times \frac{\text{Settlement Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right\} \right]$$

OR

(ii) Digital Return;

as specified in the applicable Final Terms.

- (b) if (i) the Barrier Condition is not satisfied, and (ii) the Settlement Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Price:

$$\text{Specified Denomination} \times \frac{\text{Settlement Price}}{\text{Initial Price}}$$

where:

"Barrier Condition" means:

- (a) if **"European"** is specified in the applicable Final Terms, that the Settlement Price is greater than (or greater than or equal to) the Barrier Level on the Valuation Date;
- (b) if **"American"** is specified in the applicable Final Terms, that the Settlement Price is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date, where such Observation Dates shall be a specified continuous period; and

- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the Settlement Price, is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date;

"**Cap**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Digital Return**", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms; and

"**Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

5. **Defensive Returns FX-Linked Notes**

A. *Further Information relating to Defensive Returns FX-Linked Notes*

Defensive Returns FX-Linked Notes are FX-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to the Notes, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying Subject Currency or a basket of Subject Currencies, as specified in the applicable Final Terms.

At the Maturity Date, an investor in the Notes will receive a return based on the Settlement Price as compared to any applicable Call Strike, Put Strike, Initial Price and/or Barrier Level (each as defined below). Investors in the Notes will receive at least a return of their initial investment if either of the following conditions is satisfied:

- (a) the Settlement Price is greater than (or, if specified in Final Terms, greater than or equal to) a price or value specified in the applicable Final Terms (the "**Call Strike**"); or
- (b) the Settlement Price is less than (or, if specified in the applicable Final Terms, less than or equal to) a price or value specified in the applicable Final Terms (the "**Put Strike**") but above the barrier level specified in the applicable Final Terms (the "**Barrier Level**").

If the Settlement Price is greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Call Strike, investors in the Notes will receive a return which may be either (1) a return of the principal plus the greater of (i) zero; and (ii) the upside of the performance of the underlying Subject Currency or basket of Subject Currencies multiplied by a leverage factor (the "**Call Gearing**"), as set out in the Final Terms, subject to a cap (the "**Call Cap**"); or (2) a fixed percentage return (a "**Digital Return 1**") for each Note, as specified in the applicable Final Terms.

If the Settlement Price is (i) less than (or, if specified in the applicable Final Terms, less than or equal to) the Call Strike and (ii) greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Put Strike, investors in the Notes will receive a Final Redemption Amount equal to the product of the principal and a leverage factor (the "**Gearing**") as set out in the Final Terms. The applicable Final Terms may set out a Call Strike or a Put Strike, in each case, which may be equal to each other or to the Initial Price. Where both the Call Strike and the Put Strike are equal as per the applicable Final Terms, this calculation for the Final Redemption Amount will not be applicable.

If the Settlement Price is less than (or, if specified in the applicable Final Terms less than or equal to) the Put Strike, but greater than or equal to the Barrier Level, the investors in the Notes will receive a Final Redemption Amount which may be either (1) a return of the principal plus the lesser of (i) a cap (if so specified in the applicable Final Terms) (the "**Put Cap**"); and (ii) the downside of the performance of the underlying Subject Currency or basket of Subject Currencies (but expressed as a positive number) multiplied by a leverage factor (the "**Put Gearing**"), as set

out in the applicable Final Terms; or (2) a fixed percentage return (a "**Digital Return 2**") for each Note, as specified in the applicable Final Terms.

Finally, if the Settlement Price is less than the Barrier Level, the investors in the Notes will suffer a loss of capital on the Notes in proportion with the decline of the relevant performance below the Barrier Level which may, if so specified in the applicable Final Terms, be multiplied by a leverage factor (the "**Barrier Gearing**"), as set out in the applicable Final Terms.

The Settlement Price may be determined on the basis of (i) a spot rate of exchange for the Base Currency/Subject Currency on a specified date, or (ii) the average of the spot rates of exchange for the Base Currency/Subject Currency relating to a number of averaging dates.

Where the applicable Final Terms specify that the Underlying Asset is a basket of Subject Currencies, the Final Terms may further specify either "Best of n Subject Currencies" or "Worst of n Subject Currencies" as applicable. If "Best of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the highest Settlement Prices in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies. If "Worst of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the lowest Settlement Prices, in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies.

Further, the Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.

B. *Formulae for determination of Final Redemption Amount and other optional provisions relating to Defensive Returns FX-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent in accordance with the applicable formula, as follows:

- (a) if the Settlement Price is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Call Strike:

$$(i) \quad \text{Specified Denomination} \times \left[1 + \text{Min} \left\langle \text{Call Cap}, \text{Max} \left\{ 0, \left(\text{Call Gearing} \times \frac{\text{Settlement Price} - \text{Call Strike}}{\text{Initial Price}} \right) \right\} \right\rangle \right]$$

OR

- (ii) Digital Return 1

- (b) if applicable, if the Settlement Price is: (1) less than (or less than or equal to, if so specified in the applicable Final Terms) the Call Strike and (2) greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Put Strike:

$$\text{Specified Denomination} \times \text{Gearing}$$

- (c) if the Settlement Price is: (1) less than (or less than or equal to, if so specified in the applicable Final Terms) the Put Strike and (2) greater than or equal to the Barrier Level:

$$(i) \quad \text{Specified Denomination} \times \left[1 + \text{Min} \left\{ \text{Put Cap}, \left(\text{Put Gearing} \times \frac{\text{Put Strike} - \text{Settlement Price}}{\text{Initial Price}} \right) \right\} \right]$$

OR

- (ii) Digital Return 2

- (d) if the Settlement Price is less than the Barrier Level:

$$\text{Specified Denomination} \times \text{Max} \left[0, \left\{ 1 - \text{Barrier Gearing} \times \left(\frac{\text{Barrier Level} - \text{Settlement Price}}{\text{Initial Price}} \right) \right\} \right]$$

where:

"**Barrier Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Call Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Call Strike**" means n per cent. of the Initial Price, as specified in the applicable Final Terms;

"**Call Cap**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Digital Return 1**", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms;

"**Digital Return 2**", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms;

"**Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Put Cap**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Put Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms; and

"**Put Strike**" means n per cent. of the Initial Price, as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

6. Reverse Convertible FX-Linked Notes

A. Further Information relating to Reverse Convertible FX-Linked Notes

Reverse Convertible FX-Linked Notes are FX-Linked Notes that are linked to the performance of a Subject Currency or basket of Subject Currencies, as specified in the applicable Final Terms, designed to provide fixed interest payments either at maturity of the Notes or periodically throughout the life of the Notes. The Final Redemption Amount of the Notes will depend upon the performance of a Subject Currency or a basket of Subject Currencies, as specified in the applicable Final Terms.

The Final Terms of the Notes will set out two alternatives for the Final Redemption Amount of the Notes. Which of the two alternatives is applicable will depend on whether certain conditions (the "**Barrier Conditions**") relating to the Settlement Price in comparison to the Initial Price are satisfied, as specified in the Final Terms (which may be the performance being greater than (or greater than or equal to) a barrier level (the "**Barrier Level**").

The two alternative Final Redemption Amounts will each be one of the following:

- (a) an amount linked to the ratio of the Settlement Price to the Initial Price of a Subject Currency or a basket of Subject Currencies, as the case may be (which may or may not

be the same Subject Currency or basket of Subject Currencies that determined whether or not the Barrier Condition had been satisfied); or

- (b) a fixed percentage return (a "**Digital Return**") for each Note.

In addition, if the Final Redemption Amount is linked to the Settlement Price, the Final Redemption Amount may have any of the following features:

- (a) it, or any of the components of the performance, may be subject to a cap (a maximum) or a floor (a minimum) on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.
- (b) the return may be subject to a leverage factor (the "**Gearing**").

The Settlement Price may be determined on the basis of (i) a spot rate of exchange for the Base Currency/Subject Currency on a specified date, or (ii) the average of the spot rates of exchange for the Base Currency/Subject Currency relating to a number of averaging dates.

Where the applicable Final Terms specify that the Underlying Asset is a basket of Subject Currencies, the Final Terms may further specify either "Best of n Subject Currencies" or "Worst of n Subject Currencies" as applicable. If "Best of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the highest Settlement Prices in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies. If "Worst of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the lowest Settlement Prices, in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies.

Further, the Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.

B. *Formulae for Final Redemption Amount and other optional provisions relating to Reverse Convertible FX-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date shall be an amount determined by the Calculation Agent in accordance with the applicable formula, as follows:

- (a) If the Barrier Condition has been satisfied then:

- (i)

$$\text{Specified Denomination} \times \left[100\% + \text{Max} \left\{ 0, \text{Gearing} \times \left(\frac{\text{Settlement Price}}{\text{Initial Price}} - 100\% \right) \right\} \right]$$

OR

- (ii) Digital Return 1;

as specified in the applicable Final Terms.

- (b) If not, the Final Redemption Amount shall be determined as:

- (i)

$$\text{Specified Denomination} \times \text{Min} \left[\text{Cap}, \frac{\text{Settlement Price}}{\text{Initial Price}} \right]$$

OR

- (ii) Digital Return 2;

as specified in the applicable Final Terms.

where:

"**Barrier Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the Settlement Price is greater than (or greater than or equal to) the Barrier Level on the Valuation Date;
- (b) if "**American**" is specified in the applicable Final Terms, that the Settlement Price is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date, where such Observation Dates shall be a specified continuous period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the Settlement Price, is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date;

"**Cap**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Digital Return 1**", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms;

"**Digital Return 2**", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms; and

"**Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

7. **N Barrier Coupon FX-Linked Notes**

A. ***Further Information relating to N Barrier Coupon FX-Linked Notes***

N Barrier Coupon FX-Linked Notes are FX-Linked Notes in relation to which the Interest Amount for such Notes is only payable if the performance of the underlying Subject Currency or basket of Subject Currencies, as specified in the applicable Final Terms, fulfils certain conditions set out in the applicable Final Terms (each, a "**Barrier Condition**").

An Interest Amount in respect of the Notes shall be payable if the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, as of the applicable valuation time on the applicable valuation date(s) (the "**Coupon Valuation Date(s)**"), or applicable observation date(s) (the "**Coupon Observation Date(s)**") satisfies a specified Barrier Condition or multiple Barrier Conditions, as determined by the Calculation Agent (a "**Payout Event**"). Each Interest Period relating to an Interest Payment Date (which may, for the avoidance of doubt, include the Maturity Date) may have one or more corresponding Barrier Conditions, each relevant to a Coupon Valuation Date(s), or Coupon Observation Date(s), as applicable, that differ from those applicable to any other Interest Period(s), Coupon Valuation Date(s), Coupon Observation Date(s) and related Interest Payment Date(s). For the avoidance of doubt, there may be multiple Barrier Conditions for each Coupon Valuation Date, Coupon Observation Date and there may be multiple Coupon Valuation Dates and/or Coupon Observation Dates in respect of an Interest Period, in each case, as specified in the applicable Final Terms.

Each Barrier Condition may have its own Barrier Level, or Upper Barrier Level and Lower Barrier Level (i.e. range), as applicable, and each Barrier Condition is evaluated independently (irrespective of other Barrier Conditions that may apply). The relevant Barrier Level, or Upper Barrier Level and Lower Barrier Level in respect of any Barrier Condition are specified in the applicable Final Terms.

Each Barrier Condition will have an associated Interest Amount and the total Interest Amount payable on the relevant Interest Payment Date will be the aggregate of each Interest Amount payable (based on each of the individual Barrier Conditions met) plus a minimum interest amount (the "**Minimum Interest Amount**"), if any, specified in the applicable Final Terms.

The Final Redemption Amount payable at the Maturity Date will be at par.

The Settlement Price may be determined on the basis of (i) a spot rate of exchange for the Base Currency/Subject Currency on a specified date, or (ii) the average of the spot rates of exchange for the Base Currency/Subject Currency relating to a number of averaging dates.

Where the applicable Final Terms specify that the Underlying Asset is a basket of Subject Currencies, the Final Terms may further specify either "Best of n Subject Currencies" or "Worst of n Subject Currencies" as applicable. If "Best of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the highest Settlement Prices in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies. If "Worst of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the lowest Settlement Prices, in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies.

Further, the Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.

B. *Formulae for determination of Interest Amount and other optional provisions relating to N Barrier Coupon FX-Linked Notes potentially to be included in Final Terms*

Interest Amount

Whether or not one or more Payout Event(s) occurs in respect of the Notes depends upon the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, as compared to one or more relevant Barrier Conditions specified in the applicable Final Terms occurs, as determined by the Calculation Agent.

A Payout Event will occur if on any Coupon Valuation Date or on each and every Coupon Observation Date, the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, meets the relevant Barrier Condition applicable to that Coupon Valuation Date or those Coupon Observation Dates.

If the Calculation Agent determines that a Payout Event has occurred, the Interest Amount relevant to the particular Barrier Condition satisfied will become payable. The total Interest Amount payable will be the aggregate of each Interest Amount payable in respect of each Interest Period for which a Barrier Condition is satisfied plus the Minimum Interest Amount, if applicable.

"**Barrier Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the Settlement Price is:
 - (i) greater than (or greater than or equal to) the Barrier Level on the Coupon Valuation Date;
 - (ii) less than (or less than or equal to) the Barrier Level on the Coupon Valuation Date; or

- (iii) greater than (or greater than or equal to) the Lower Barrier Level on the Coupon Valuation Date and less than (or less than or equal to) the Upper Barrier Level on the Coupon Valuation Date,

as specified in the applicable Final Terms.

- (b) if "**American**" is specified in the applicable Final Terms, that the Settlement Price is:

- (i) greater than (or greater than or equal to) the Barrier Level on each Coupon Observation Date, where such Coupon Observation Dates shall be a specified continuous period;
- (ii) less than (or less than or equal to) the Barrier Level on each Coupon Observation Date, where such Coupon Observation Dates shall be a specified continuous period; or
- (iii) greater than (or greater than or equal to) the Lower Barrier Level on each Coupon Observation Date, where such Coupon Observation Dates shall be a specified continuous period, and less than (or less than or equal to) the Upper Barrier Level on each Coupon Observation Date, where such Coupon Observation Dates shall be a specified continuous period,

as specified in the applicable Final Terms.

- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the Settlement Price is:

- (i) greater than (or greater than or equal to) the Barrier Level on each and every Coupon Observation Date;
- (ii) less than (or less than or equal to) the Barrier Level on each and every Coupon Observation Date; or
- (iii) greater than (or greater than or equal to) the Lower Barrier Level on each and every Coupon Observation Date and less than (or less than or equal to) the Upper Barrier Level on each and every Coupon Observation Date,

as specified in the applicable Final Terms.

For the purposes of this section 7(A) and 7(B), each Coupon Valuation Date shall be deemed to be a Valuation Date, and each Coupon Observation Date shall be deemed to be an Observation Date for the purposes of the Standard Terms for FX-Linked Notes.

"**Coupon Observation Date**" means, in relation to any Interest Payment Date, each date specified as such for such Interest Payment Date in the applicable Final Terms;

"**Coupon Valuation Date**" means, in relation to any Interest Payment Date, each date specified as such for such Interest Payment Date in the applicable Final Terms;

"**Lower Barrier Level**", if applicable, means n per cent. of the Initial Price, as specified in the applicable Final Terms;

"**Minimum Interest Amount**", if applicable, has the meaning specified in the applicable Final Terms; and

"**Upper Barrier Level**", if applicable, means n per cent. of the Initial Price, as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

8. **Range Accrual FX-Linked Notes**A. ***Further Information relating to Range Accrual FX-Linked Notes***

Range Accrual FX-Linked Notes are FX-Linked Notes that provide for interest to be paid either (i) at Interest Payment Dates occurring at regular intervals throughout the life of the Notes; or (ii) in a single amount on the Interest Payment Date falling on the Maturity Date, as specified in the Final Terms. The Interest Amount that an investor in the Notes receives is linked to the performance of a Subject Currency or a basket of Subject Currencies, as specified in the applicable Final Terms and on how many actual days during the Interest Period ending on such Interest Payment Date its price remains within a range of prices, the upper and lower limit of which will be specified in the applicable Final Terms. If the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, is below the lower limit or higher than the upper limit on some or all of the actual days in an Interest Period, the investor may receive low or even zero interest payments, respectively, for the relevant Interest Period.

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, and unless otherwise specified in the applicable Final Terms, the Final Redemption Amount of the Notes will be at par.

The Settlement Price may be determined on the basis of (i) a spot rate of exchange for the Base Currency/Subject Currency on a specified date, or (ii) the average of the spot rates of exchange for the Base Currency/Subject Currency relating to a number of averaging dates.

Where the applicable Final Terms specify that the Underlying Asset is a basket of Subject Currencies, the Final Terms may further specify either "Best of n Subject Currencies" or "Worst of n Subject Currencies" as applicable. If "Best of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the highest Settlement Prices in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies. If "Worst of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the lowest Settlement Prices, in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies.

Further, the Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.

B. ***Formulae for determination of Rate of Interest and other optional provisions relating to Range Accrual FX-Linked Notes potentially to be included in Final Terms****Rate of Interest*

The Rate of Interest payable in respect of the Notes for any Interest Period shall be a rate determined by the Calculation Agent in accordance with the following formula:

$$\text{Relevant Rate} \times \text{Accrual Factor}$$

where:

"**Accrual Factor**" is calculated as the actual number of days during each Interest Period in which the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, is greater than or equal to the Lower Range and less than or equal to the Upper Range divided by the actual number of days during such Interest Period; *provided that*, (i) for days that are not Scheduled Trading Days, the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, shall be the same as the previous Scheduled Trading Day's fixing, and (ii) the final fixing of the Settlement Price of the Subject Currency or the basket of Subject Currencies, as applicable, in the respective Interest Period will be as of the day that is five (5) Scheduled Trading Days prior to the respective Interest Payment Date and that day's fixing shall apply in respect of the remaining days of the respective Interest Period; and

"Relevant Rate" shall be any of the fixed Rate of Interest specified in the Fixed Rate provisions of the applicable Final Terms, the Reference Rate specified in the Floating Rate or the relevant rate specified in the applicable Final Terms, as applicable (and calculated by the Calculation Agent in accordance with the terms and fixed on the dates specified therein);

"Lower Range" is a fixed value specified in the applicable Final Terms; and

"Upper Range" is a fixed value specified in the applicable Final Terms.

For the purposes of this section 8(A) and 8(B), each day during an Interest Period shall be deemed to be an Observation Date for the purposes of the Standard Terms for FX-Linked Notes.

The Settlement Price may be determined on the basis of (i) a spot rate of exchange for the Base Currency/Subject Currency on a specified date, or (ii) the average of the spot rates of exchange for the Base Currency/Subject Currency relating to a number of averaging dates.

Where the applicable Final Terms specify that the Underlying Asset is a basket of Subject Currencies, the Final Terms may further specify either "Best of n Subject Currencies" or "Worst of n Subject Currencies" as applicable. If "Best of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the highest Settlement Prices in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies. If "Worst of n Subject Currencies" is specified, the Settlement Price of the basket of Subject Currencies will be calculated on the basis of a specified number of Subject Currencies, "n" in number, which have the lowest Settlement Prices, in accordance with the Final Terms, as if the basket of Subject Currencies is constituted of only those Subject Currencies.

Further, the Final Terms may specify a cap on the performance of the Subject Currency, the basket of Subject Currencies, or any component of the basket of Subject Currencies.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

Risk Factors in relation to the FX-Linked Notes

An investment in FX-Linked Notes involves risks. For the risks involved, please see the section entitled "*Risk Factors*" set out in Part A of the Base Prospectus and in particular the section entitled "*Risk Factors related to FX-Linked Notes*".

Standard Terms for FX-Linked Notes

The Conditions applicable to the Notes shall be supplemented by the following Terms for the FX-Linked Notes, unless otherwise indicated in the applicable Final Terms. The Conditions apply to all FX-Linked Notes and, in the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Base Prospectus, these Terms will prevail for the purposes of the FX-Linked Notes. In the event of any inconsistency between any of these Terms or any statement in or incorporated by reference into the Base Prospectus, and the Final Terms in relation to the FX-Linked Notes, the Final Terms shall prevail.

1. Definitions

For the purposes of these Terms, the following terms shall have the meanings set out below:

"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 Term 3 (*Consequences of a Disruption Event*) shall apply;

"Automatic Early Redemption Amount" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, (a) an amount specified as such in the applicable Final Terms, or, if no such amount is specified, (b) an amount per Note equal to the product of (i) the Issue Price and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, all as determined by the Calculation Agent in its sole and absolute discretion;

"Automatic Early Redemption Date(s)" means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with Term 3 (*Consequences of a Disruption Event*) below;

"Automatic Early Redemption Event" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, (unless otherwise specified in the applicable Final Terms) that the Settlement Price is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price, as determined by the Calculation Agent in its sole and absolute discretion;

"Automatic Early Redemption Price" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, the Settlement Price specified as such or otherwise determined in the applicable Final Terms;

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date and if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, the rate specified as such in the applicable Final Terms;

"Automatic Early Redemption Valuation Date(s)" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, each of the date(s) specified as such in the applicable Final Terms or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with Term 3 (*Consequences of a Disruption Event*) below;

"Dual Exchange Rate" means any Base Currency, Subject Currency and/or Subject Currencies that 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;

"Disruption Event" has the meaning given to it in Term 2 (*Disruption Events*) below;

"Fair Market Value" means, in relation to any Note which is to be redeemed early, its fair market value as of the early redemption date less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes (all as determined by the Calculation Agent);

"Illiquidity Disruption" means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent to hedge its obligations under the Notes (in one or more transaction(s)) on the relevant Averaging Date 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);

"Initial Price" means, unless otherwise specified in the applicable Final Terms, (a) in the case of FX-Linked Notes relating to a basket of Subject Currencies and in respect of a Subject Currency, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the applicable Final Terms), multiplied by the relevant Weighting; and (b) in the case of FX-Linked Notes relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the applicable Final Terms), in each case, as determined by the Calculation Agent;

"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" has the meaning given to it in Term 4 (*Settlement Price*) below;

"Settlement Price Date" means the Strike Date, Observation Date, Automatic Redemption Valuation 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, 5 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 Term 3 (*Consequences of a Disruption Event*) shall apply;

"Valuation Date" means any Interest Valuation Date and/or Redemption Valuation Date and/or any other day specified as such in the applicable Final Terms, as the case may be, 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 Term 3 (*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 Initial Price or 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.

2. **Disruption Events**

Unless otherwise stated in the applicable Final Terms, the occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be a "**Disruption Event**":

- (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) any other event specified in the applicable Final Terms.

The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 13 (*Notices*) of the occurrence of a Disrupted Day on any day that but for the occurrence of the Disrupted Day would have been an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. **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:

- 3.1 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 (a), (b) or (c) below.

- (a) 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
- (b) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, and 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 Condition 13 (*Notices*), the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an

amount equal to the Fair Market Value of such Note. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 (*Notices*); or

- (c) 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 (the "**Calculated FX Disruption Amount**") as soon as practicable following the occurrence of the Disruption Event (the "**Calculated FX Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to the Calculated FX Disruption Amount plus interest accrued from and including the Calculated FX Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time; and/or

- 3.2 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.

4. **Settlement Price**

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms and subject as referred to in Term 3 (*Consequences of a Disruption Event*) above:

- (a) in the case of FX-Linked Notes relating to a basket of Subject Currencies and in respect of a Subject Currency, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting; and
- (b) in the case of FX-Linked Notes relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent).

5. **Knock-in Event and Knock-out Event**

- 5.1 If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, 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.

- 5.2 If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, 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.
- 5.3 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 otherwise specified in the applicable Final Terms, 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 Knockout Event.
- 5.4 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 otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

5.5 ***Definitions relating to Knock-in Event/Knock-out Event***

Unless otherwise specified in the applicable Final Terms:

"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 (i) 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 (ii) 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 (x) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is, (A) "greater than", "greater than or equal to", "less than" or "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;

"Knock-in Level" means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment in accordance with the provisions set forth in Term 2 (*Disruption Events*) and Term 3 (*Consequences of a Disruption Event*);

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day 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 Scheduled Trading Day 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 (i) 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 (ii) 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 (x) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level, in each case as specified in the applicable Final Terms;

"Knock-out Level" means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in the case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment in accordance with in Term 2 (*Disruption Events*) and Term 3 (*Consequences of a Disruption Event*);

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day 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 Scheduled Trading Day 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; and

"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.

6. **Automatic Early Redemption**

For the purposes of the Notes, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if the Calculation Agent determines that on any Automatic Early Redemption Valuation Date or during any Observation Period an Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Final Terms) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Notes or determination pursuant to this Term to holders of the Notes (copied to the Issuer).

7. **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 Noteholders in

accordance with Condition 13 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the Fair Market Value of a Note taking into account the Additional Disruption Event and/or the Optional Additional Disruption Event, as the case may be. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 (*Notices*).

"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 for the Issuer and/or any of its affiliates to hold, acquire or dispose of any relevant hedge positions in respect of the Notes; or
- (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 affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation foreign exchange risk and interest rate risk) of the Issuer, issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

"Optional Additional Disruption Event" means Increased Cost of Hedging, if specified in the applicable Final Terms.

"Trade Date" has the meaning given to it in the applicable Final Terms.

PRO FORMA FINAL TERMS FOR FX-LINKED NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17/19].⁴]

[Date]

Investec Bank plc
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the [•]
£2,000,000,000 Impala Structured Notes Programme

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]⁵

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]⁶

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances (including without limitation their own

⁴ To be included in respect of all issues which are to be admitted to listing. Delete 17 or 19 as appropriate. Listing Rule 19 applies to securitised derivatives. Listing Rule 17 applies to debt securities, asset-backed securities and convertible securities.

⁵ Include this legend where a non-exempt offer of Notes is anticipated.

⁶ Include this legend where a non-exempt offer of Notes is anticipated.

financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "Risk Factors" in the Base Prospectus referred to below.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [•] 2012 [and the supplemental Prospectus[es] dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as supplemented]. The Base Prospectus [and the supplements thereto] are available for viewing at and copies may be obtained during normal working hours from Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB [/ Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE]].

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing Final Terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | |
|----|---|--|
| 1. | Issuer: | Investec Bank plc |
| 2. | [(a)] Series Number: | [•] |
| | [(b)] Tranche Number: | [•] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> | |
| 3. | Specified Currency or Currencies: | [•] |
| 4. | Aggregate Nominal Amount: | |
| | [(a)] Series: | [•] |
| | [(b)] Tranche: | [•] |
| 5. | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6. | (a) Specified Denominations: | [•] |
| | (b) Calculation Amount: | [•] |
| | <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.]</i> | |
| 7. | (a) Issue Date: | [•] |
| | (b) Interest Commencement Date: | [Specify/Issue Date/Not applicable] |

8. Maturity Date: *[Specify date for Floating Rate Notes only - Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: *[[•] per cent. Fixed Rate]*
[[LIBOR/EURIBOR] +/-[•] per cent. Floating Rate]
[Zero Coupon]
[Dual Currency]
[FX-Linked]
[Specify other]
 (further particulars specified below)
[N.B. If the Interest Basis is linked to an underlying covered in a different Part of this Base Prospectus, include specific interest provisions from the relevant Part here. For e.g. if the Interest Basis is Inflation-Linked, include "Inflation-Linked Notes Interest Provisions" below]
10. Redemption/Payment Basis: *[Redemption at par]*
[Dual Currency]
[Instalment]
[Partly Paid]
[FX-Linked]
[Specify other]
[N.B. If the Final Redemption Amount is not 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.]
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Call Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
13. Put Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
14. (a) Status of the Notes: Senior
- (b) Security Status: *[Unsecured Notes/Secured Notes. The Issuer has designated the Notes as covered bonds].*

- (c) [Date [Board] approval for issuance of Notes obtained: [•]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi - annually/quarterly/other specify] in arrear]

[If payable other than annually, consider amending Condition 4(a) (Interest on Fixed Rate Notes)]

[Condition 4(a) (Interest on Fixed Rate Notes) shall not apply. The interest payable in respect of each Note shall be calculated as follows:

- (iii) With respect to any Fixed Interest Period (defined below) for which the Bonus Condition (as defined below) is met, the amount of interest ("I") payable in relation to a Note shall be calculated as follows:

$$I = SD \times (\text{Base Rate} + \text{Bonus Rate})$$

- (iv) With respect to any Fixed Interest Period for which the Bonus Condition is **not** met, the amount of interest payable in relation to a Note shall be calculated as follows:

$$I = SD \times \text{Base Rate}$$

where:

"**Base Rate**" means [•] per cent.;

"**Bonus Averaging Date**" means, in relation to each Fixed Interest Period, the relevant Bonus Averaging End Date and each of the [*specify number*] of [[days]/[Scheduled Trading Days]/[Business Days]/[Exchange Business Days]/[Commodity Business Days]/[*specify other*]] preceding such Bonus Averaging End Date;

"**Bonus Averaging End Date**" means, in relation to each Fixed Interest Period, the date specified in the column headed "Bonus Averaging End Date" in the table below, provided that if such date is not a [[Scheduled

Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify]], the [[immediately preceding]/[specify]] [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify other]] shall be the Bonus Averaging End Date;

the "**Bonus Condition**" is deemed to be met in relation to a Fixed Interest Period if the Bonus Level in relation to such Fixed Interest Period is [above] the Initial Level;

"**Bonus Level**" means, with respect to each Fixed Interest Period, the [[daily arithmetic average]/ [specify] of the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/ [Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on each Bonus Averaging Date for such Fixed Interest Period;

"**Bonus Rate**" means [•] per cent.;

"**Fixed Interest Period**" means each of the periods specified in the column headed "Fixed Interest Period" in the table below;

"**Initial Level**" means the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/ [Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on the [[Issue Date]/[specify]];and

"**SD**" means Specified Denomination.]

<i>Fixed Interest Period</i>		<i>Interest Payment Date</i>	<i>Bonus Averaging End Date</i>
<i>from but excluding</i>	<i>to and including</i>		
[•]	[•]	[•]	[•]

- (b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]/[Each date specified in the column headed "*Interest Payment Date*" in the table in paragraph [16](a) above]/[specify other]

[N.B. This will need to be amended in the case of long or short coupons]
- (c) Fixed Coupon Amount(s): [[•] per Calculation Amount/ Not applicable]
- (d) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date following [in/on] [•]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA/ISDA) or [specify other]]
- (f) Determination Date(s): [•] [in each year]/ [Each Interest Payment Date in the table in paragraph [16](a) above]/[specify

other]

[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.

N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.

N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

17. **Floating Rate Note Provisions**

[Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Specified Period(s)/Specified Interest Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [•]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]
- (g) Screen Rate Determination: [•]
- Reference Rate: [•]
- [Either LIBOR, EURIBOR or other, although additional information is required if "other" – including fallback provisions in Clause [8.2] of the Agency Agreement]
- Interest Determination Date(s): [•]

[Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 system is open prior to the start of each Interest Period if EURIBOR or euro LIBOR]

- Relevant Screen Page: [•]
[In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.]
 - (h) ISDA Determination:
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - (i) Margin(s): [+/-] [•] per cent. per annum
 - (j) Minimum Rate of Interest: [•] per cent. per annum
 - (k) Maximum Rate of Interest: [•] per cent. per annum
 - (l) Day Count Fraction: [Actual/Actual (ICMA/ISDA)]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360]
[30E/360]
[30E/360 (ISDA)]
[Specify other]
(See Condition 4(b) (Interest on Floating Rate Notes) for alternatives)
 - (m) Determination Date: [•] [in each year]

NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA).
 - (n) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
18. **Dual Currency Note Provisions** [Applicable/Not applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]
 - (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [Give name and address]

- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: [•]
19. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Amortisation: [•] per cent. per annum
- (b) [Reference Price: [•]]
- (c) Any other formula/basis of determining amount payable: *[Consider whether it is necessary to specify a Day Count Fraction]*
- (d) Early Redemption Amount: [Amortised Face Amount/Fair Market Value]
20. **FX-Linked Notes Interest Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) The relevant base currency (the "**Base Currency**") is: []
- (b) The relevant subject [currency/currencies] ([each a]/[the] "**Subject Currency**") [is/are]: []
- (c) Weighting: []
- (d) Formula: []
- (e) Price Source: []
- (f) Disruption Event: Specified Maximum Days of Disruption will be equal to []/[5]
(If no specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to [•])
- (g) Calculation Agent responsible for calculating the interest due: [Principal Paying Agent]/[Dealer]/[Other Address]
- (h) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: []
- (i) Delayed Redemption on Occurrence of a Disruption Event: [Applicable/Not applicable]
[if applicable:
- (j) Interest Period(s): []
- (k) Interest Period End Date(s): []

- Business Day Convention for Interest Period End Date(s): []
- (l) Interest Payment Date(s): [Following/Modified Following/ Preceding/
FRN/ None]
- []
- Business Day Convention for Interest Payment Date(s): [Following/Modified Following/ Preceding/
FRN/ None/ Not applicable]
- (If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) are expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (m) Day Count Fraction: []
- (n) Relevant Screen Page: []
- (o) Valuation Time: []
- (p) Interest Valuation Date: []
- (q) Optional Additional Disruption Events: [(The following Optional Additional Disruption
Events apply to the Notes:)]
- (Specify each of the following which applies)*
[Increased Cost of Hedging]
- Trade Date: [•]
- (r) Other terms or special conditions: []
21. **Formula Linked Interest provisions:** [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Formula: []
- (b) Calculation Agent responsible for calculating the interest due: [Principal Paying Agent]/[Dealer]/[Other]/
[Address]
- (c) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: []
- (d) Interest Period(s): []
- (e) Interest Period End Date(s): []
- Business Day Convention for Interest Period End Date(s): [Following/Modified/Following/Preceding/FRN
/ None]
- (f) Interest Payment Date(s): []
- Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/FRN/
None / Not applicable]

(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) are expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)

- (g) Day Count Fraction: []
- (h) Interest Determination Date(s): []
- (i) Other terms relating to the method of calculating interest: [Not applicable/specify]

PROVISIONS RELATING TO REDEMPTION

22. Final Redemption Amount of each Note: [•] per Calculation Amount
23. Early Redemption Amount:
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/Final Redemption Amount/Fair Market Value]
- (If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)*
24. Automatic Early Redemption: [Applicable/Not applicable]
- [If not applicable, delete the automatic early redemption provisions which follow]*
- Automatic Early Redemption Amount: *[specify or delete if N/A]*
 - Automatic Early Redemption Date(s): *[specify date(s) or delete if N/A]*
- [If FX-Linked Notes may be redeemed as a result of an Automatic Early Redemption Event during an Observation Period, then specify if redemption is not to take place five Business Days after the Automatic Early Redemption Event]*
- Automatic Early Redemption Event: *[greater than/ greater than or equal to/ less than/ less than or equal to/ other-specify] [complete as appropriate]*
 - Automatic Early Redemption Price: *[specify or delete if N/A]*
 - Automatic Early Redemption Rate: *[specify or delete if N/A]*
 - Automatic Early Redemption Valuation Date(s): *[specify date(s) or delete if N/A]*
25. Issuer Call Option [Applicable/Not applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*

- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
[N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.]
- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market Value/specify other]
- (d) Rounding: [Details of rounding]
- (e) If redeemable in part:
- (i) Minimum Redemption Amount: [•] per Calculation Amount
- (ii) Maximum Redemption Amount: [•] per Calculation Amount
26. Noteholder Put Option [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market Value/specify other]
- (d) Rounding: [Details of rounding]
27. **FX-Linked Notes Redemption provisions:** [Applicable/Not Applicable]
 [Insert rider A]
- (a) Formula: []
- (b) Relevant Screen Page:
- (c) The relevant base currency (the "**Base Currency**") is:
- (d) The relevant subject [currency/currencies] ([each a]/[the] "**Subject Currency**") [is/are]:
- (e) Weighting: []
- (f) Price Source: []

- (g) Disruption Event: Specified Maximum Days of Disruption will be equal to [•]/[five]
- (If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to five)*
- (h) Strike Date: []
- (i) Averaging Dates: []
- (j) Observation Date(s): []
- (k) Observation Period: []
- (l) Valuation Time: []
- (m) Redemption Valuation Date:
28. Knock-in Event: [Not applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]["within"]#
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Knock-in Level/Knock-in Range Level: [specify]/[From and including][From and excluding][To and including][To but excluding]
- (b) Knock-in Period Beginning Date: []
- (c) Knock-In Period Beginning Date Scheduled Trading Day Convention: [Applicable/Not applicable]
- (d) Knock-in Determination Period: []
- (e) Knock-in Determination Day(s): []
- (f) Knock-in Period Ending Date: [Not applicable/specify]
- (g) Knock-In Period Ending Date Scheduled Trading Day Convention: [Applicable/Not applicable]
- (h) Knock-in Valuation Time: [specify]/[Any time on a Knock-in Determination Day.]
29. Knock-out Event: Not applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Knock-out Level: []
- (b) Knock-out Period Beginning Date: []
- (c) Knock-Out Period Beginning Date Scheduled Trading Day Convention: [Applicable/Not applicable]
- (d) Knock-Out Determination Period: []

- (e) Knock-out Determination Day(s): []
- (f) Knock-out Period Ending Date: [Not applicable/specify]
- (g) Knock-Out Period Ending Date Scheduled Trading Day Convention: [Applicable/Not applicable]
- (h) Knock-out Valuation Time: [specify]/[Any time on a Knock-out Determination Day.]
30. Calculation Agent responsible for calculating the redemption amount due: [Principal Paying Agent]/[Dealer]/[Other] [Address]
31. Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable: []
32. Delayed Redemption on the Occurrence of an Additional Disruption Event: [Applicable/Not applicable] [if applicable:
Principal Protection Termination Amount: [Applicable/Not applicable]]
33. Optional Additional Disruption Events: [(The following Optional Additional Disruption Events apply to the Notes:]
(Specify each of the following which applies)
[Increased Cost of Hedging]
- Trade Date: [•]
34. Other terms or special conditions: [Not applicable]/[•]
35. **Formula Linked Redemption provisions:** [Applicable/Not applicable]
- (a) Formula: []
- (b) Calculation Agent responsible for calculating the redemption amount due: [Principal Paying Agent]/[Dealer]/[Other]/ [Address]
- (c) Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable: []
- (d) Other Provisions: []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

36. Form of Notes: [Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]*

* If a Global Note is exchangeable for Definitive Notes, the Notes shall be tradable only in principal amounts of at least the Specified Denomination specified in paragraph 6 and multiples thereof.

- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]*
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]*
- [Registered Notes: Registered Global Note ([•] nominal amount)]
- [Uncertificated Registered Notes]
37. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not applicable/give details]
- [Note that this item relates to the place of payment and not Interest Period end dates to which item 16(d) relates]
38. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
39. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not applicable/give details]
- (b) Instalment Date(s): [Not applicable/give details]
40. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]
41. Other final terms: [Not applicable/give details]
- [When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

DISTRIBUTION

42. (a) If syndicated, names [and addresses] of Managers: [Not applicable/give names [and addresses]*]
- [If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.]
- (b) Date of [Subscription] Agreement: [•]

43. If non-syndicated, name [and address]* of relevant Dealer: [Not applicable/give name [and address]*]
[Where the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Dealer.]
44. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
45. U.S. Selling Restrictions: [Reg. S Compliance Category: [2];
TEFRA D/TEFRA C/TEFRA not applicable]
46. Additional selling restrictions: [Not applicable/give details]

TAXATION

47. Taxation: Condition 7A (*Taxation - No Gross up*) [applies/does not apply] [*Condition 7A will apply for all issues of Notes unless specified otherwise*]
 [Condition 7B (*Taxation - Gross Up*) [applies/does not apply]]

SECURITY

48. Security Provisions: [Applicable/Not applicable]
[Security Provisions will be applicable if the Notes are Secured Notes. If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (a) Whether Collateral Pool secures this Series of Notes only or this Series and other Series: [This Series only/This Series and other Series].
- (b) Date of Supplemental Trust Deed relating to the Collateral Pool securing the Notes and Series Number of first Series of Secured Notes secured thereby: Supplemental Trust Deed dated [•] securing [this Series only/Series Number [•] among others]
- | | | |
|--|----------------------|--------------------|
| (c) Eligible Collateral: | Valuation Percentage | Maximum Percentage |
| (i) Cash in an Eligible Currency | [•]% | [•]% |
| (ii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of not more than one year | [•]% | [•]% |
| (iii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than one year but not more than 10 | [•]% | [•]% |

- years
- (iv) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than 10 years [•]% [•]%
- (v) Negotiable senior debt obligations issued or guaranteed by any of the following entities: [•]% [•]%
- | Name of Entity | Valuation Percentage | Maximum Percentage |
|----------------|----------------------|--------------------|
| [•] | [•]% | [•]% |
| [•] | [•]% | [•]% |
| [•] | [•]% | [•]% |
| [•] | [•]% | [•]% |
| [•] | [•]% | [•]% |
- (vi) Negotiable subordinated debt obligations issued [or guaranteed] by any of the following entities: [•]% [•]%
- | Name of Entity [and description of subordinated debt, where appropriate] | Valuation Percentage | Maximum Percentage |
|--|----------------------|--------------------|
| [•] | [•]% | [•]% |
| [•] | [•]% | [•]% |
| [•] | [•]% | [•]% |
| [•] | [•]% | [•]% |
| [•] | [•]% | [•]% |
- (d) Valuation Dates: [•]
- (e) Eligible Currency(ies): [•]
- (f) Base Currency: [•] *[NB: Base Currency should be same as Specified Denomination of the Notes]*
- (g) Minimum Transfer Amount: [•]
- (h) Independent Amount: [•]
49. Collateral Credit-Linkage
- (a) Whether Collateral Credit-Linkage applies to this Series of Secured Notes: [Yes/No]
[If no, delete the remaining sub-paragraphs of this paragraph.]

(b) If so, whether Simplified Credit-Linkages or ISDA Credit-Linkage applies: [Simplified Credit-Linkage/ISDA Credit-Linkage]

[The following provisions only apply where Simplified Credit-Linkage is applicable. If not, delete this sub-paragraph.]

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	Collateral Reference Entity Weighting (%)
[•]	[•]
[•]	[•]
[•]	[•]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Recovery Rate: [General Recovery Rate]/[Specific Recovery Rate] shall apply.

[The following provisions only apply where ISDA Credit-Linkage is applicable. If not, delete this sub-paragraph.]

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	[Transaction type]/[Applicable Credit Events]	Collateral Reference Entity Weighting (%)
[]:	[specify [e.g. North American Corporate] or [[Bankruptcy], [Failure to Pay], [Obligation Acceleration], [Obligation Default], [Repudiation/Moratorium], [Restructuring]]	[]
[]:	[]	[]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Credit Event Redemption Amount: For the purposes of the Credit Event Redemption Amount (but only if Final Price is applicable):

Valuation Method: [Market/Highest/specify other]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange and the listing on the Official List of the Financial Services Authority of Notes described herein pursuant to the £2,000,000,000 Impala Structured Notes Programme of Investec Bank plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [*specify the third party information*] has been extracted from [*specify source of information*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source of information*], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION1. **LISTING**

- (i) Listing: [London]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant regulated market]* with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant regulated market]* with effect from [].] [Not applicable.]
- [Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.]*

2. **RATINGS**

- Ratings: [The long-term senior debt of the Issuer has been rated:/[The Notes to be issued have been rated:
- [S & P*: []]
- [Moody's*: []]
- [Fitch*: []]
- [[Other]*: []]
- [*The exact legal name of the rating agency entity providing the rating should be specified-for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.]*
- [The Notes to be issued have not been rated.]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- [The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]*
- [Insert legal name(s) of particular credit rating agency/agencies] is/are established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]*
- [Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but the rating it has/they have given to the [Notes]/[long*

term senior debt securities of the Issuer] is endorsed by [*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]/

[*Insert legal name(s) of particular credit rating agency/agencies*] is/are not established in the EEA but is/are certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]/

[*Insert legal name(s) of particular credit rating agency/agencies*] is/are not established in the EEA and is/are not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in [*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: []]

(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii) Estimated net proceeds: []]

[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

[(iii) Estimated total expenses: []]

[Include breakdown of expenses]

[If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the

Prospectus Directive Regulation.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

8. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

9. **OPERATIONAL INFORMATION**

- (i) ISIN Code:
- (ii) [SEDOL Code:] []
- (iii) Common Code: []
- (iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): []
- (v) Delivery: []
- (vi) Settlement procedures: []
- (vii) Additional Paying Agent(s) (if any): []
- (viii) Common Depository: []
- (ix) Calculation Agent: []
 - is Calculation Agent to make calculations? []
 - if not, identify calculation agent: []
- (x) Other relevant General Terms and Conditions: []
- (xi) Other Final Terms: []

10. **TERMS AND CONDITIONS OF THE OFFER**

- (i) Offer Price: []
- (ii) Offer Period: []

- | | | | |
|--------|--|---|---|
| (iii) | Conditions to which the offer is subject: | [|] |
| (iv) | Description of the application process: | [|] |
| (v) | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [|] |
| (vi) | Details of the minimum and/or maximum amount of application: | [|] |
| (vii) | Details of the method and time limits for paying up and delivering the Notes: | [|] |
| (viii) | Manner in and date on which results of the offer are to be made public: | [|] |
| (ix) | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [|] |
| (x) | Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: | [|] |
| (xi) | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | [|] |
| (xii) | Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [|] |
| (xiii) | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: | [|] |

PART D - CREDIT-LINKED NOTES

General Description

Under the Programme, the Issuer may from time to time issue "**Credit-Linked Notes**", being Notes in relation to which the interest payable and/or redemption amount payable at maturity is linked to the credit of one or more Reference Entities (as defined below), and where applicable, one or more specific Reference Obligations (as defined below) in respect of those Reference Entities, or the performance thereof over a defined period, as may be specified in the relevant Final Terms of each Series of Notes. This Part provides information in relation to such Credit-Linked Notes, including standard terms for the Credit-Linked Notes set out below (the "**Terms**" in relation to the Credit-Linked Notes), pro-forma Final Terms and information in relation to certain types of Credit-Linked Notes that may be issued. This Part should be read together with Part A of this Base Prospectus.

Further Information relating to certain types of Credit-Linked Notes

Credit-Linked Notes issued under the Programme may have a redemption amount which is linked to the credit of one or more Reference Entities and, where applicable, one or more specific Reference Obligations in respect of those Reference Entities, in accordance with the provisions set out below.

In addition, Notes may be Zero Coupon Notes, in which case they will bear no interest, or they may, among other things, be Fixed Rate Notes or Floating Rate Notes, in which case they will bear interest at a fixed rate or floating rate, as applicable, or may bear interest in an amount which is linked to the credit of one or more Reference Entities and, where applicable, one or more specific Reference Obligations in respect of those Reference Entities, in accordance with the provisions set out below.

The terms and conditions of Credit-Linked Notes may include one or any of the provisions set out below (or any combination thereof), as specified in the relevant Final Terms.

Risk Factors in relation to the Credit-Linked Notes

An investment in Credit-Linked Notes involves risks. For the risks involved, please see the section entitled "*Risk Factors*" set out in Part A of this Base Prospectus and in particular the section entitled "*Risk Factors related to Credit-Linked Notes*".

Standard Terms for Credit-Linked Notes

The Conditions applicable to the Notes shall be supplemented by the following Terms for the Credit-Linked Notes, unless otherwise indicated in the relevant Final Terms. The Conditions apply to all Credit-Linked Notes and, in the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Base Prospectus, these Terms will prevail for the purposes of the Credit-Linked Notes. In the event of any inconsistency between any of these Terms or any statement in or incorporated by reference into the Base Prospectus, and the Final Terms in relation to the Credit-Linked Notes, the Final Terms shall prevail.

1. Definitions

For the purposes of these Terms, the following terms shall have the meanings set out below:

"Accelerated or Matured" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws;

"Accreted Amount" means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in sub-paragraph (a)(ii) above), in each case calculated as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or Relevant Valuation Date,

as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent) only if "**Include Accrued Interest**" is specified as being applicable in the relevant Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a) and (b) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or Relevant Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is exchangeable;

"**Accreting Obligation**" means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index or (b) periodic cash interest is also payable;

"**Additional Credit Event**" means an additional credit event as defined in the Final Terms;

"**Additional EDD Interest Amount**" means an amount in the Specified Currency determined by the Calculation Agent in respect of each Note equal to the sum of:

- (a) each amount of interest that would have been payable in respect of each Note, but for the operation of Terms 2 (*Credit Event Terms*), Term 6 (*Interest Postponement*) and Term 14 (*Reversals and Adjustment to Event Determination Dates*) and the original determination of the Event Determination Date, on each Interest Payment Date falling after the date originally determined to be the Event Determination Date, to and including the Interest Recommencement Date; and
- (b) interest accrued on each such amount on a daily basis at the applicable Overnight Rate as determined by the Calculation Agent for the period from, and including, the Interest Payment Date on which the relevant amount of interest that would have been paid but for the original determination of the Event Determination Date to, but excluding, the Interest Recommencement Date. For the avoidance of doubt, such interest will be compounded on a daily basis;

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

"**Alternative Cash Settlement**" means the calculation of a cash amount in respect of each Undeliverable Obligation in accordance with the definition of Alternative Cash Settlement Amount;

"**Alternative Cash Settlement Amount**" means an amount determined by the Calculation Agent as an amount equal to the aggregate of all calculations of, with respect to each Undeliverable Obligation in the relevant Portfolio, (a) Final Price or, if available and if the Calculation Agent determines it to be appropriate, the Auction Final Price of the relevant Undeliverable Obligation, in accordance with Term 10.4(b) or the second paragraph of Term 10.5, multiplied by (b) the relevant Outstanding Principal Balance, Due and Payable Amount or Currency Amount as applicable, of the relevant Undeliverable Obligation;

"**Applicable Auction**" means an Auction which the Calculation Agent determines is relevant to a Credit Event with respect to a Reference Entity and Obligations thereof and which relates to deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s) and/or Valuation Obligation(s), as applicable, under the Credit-Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity,

obligations and deliverable obligations to which the Auction relates and if the Auction relates to a Restructuring Credit Event, the scheduled maturity date of the Credit-Linked Notes and the scheduled termination date of the credit derivatives transactions covered by the Auction and the maturity date of the deliverable obligations to which the Auction relates, and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

"Applicable Credit Derivatives Auction Settlement Terms" means, with respect to a Reference Entity, a Credit Event and an Applicable Auction, the Credit Derivatives Auction Settlement Terms (if any) which the Calculation Agent determines are relevant to the Credit-Linked Notes (the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) and deliverable obligations which are the subject of the relevant Credit Derivatives Auction Settlement Terms and the Credit Events, Reference Entities and Obligations and Deliverable Obligations under the Credit-Linked Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes). The Calculation Agent shall, as soon as practicable after the relevant Applicable Credit Derivatives Auction Settlement Terms are published, notify the Issuer and the Issuing and Paying Agent that Applicable Credit Derivatives Auction Settlement Terms have been published with respect to a Reference Entity and a Credit Event and make a copy thereof available for inspection by Noteholders at the specified office of the Paying Agents;

"Applicable DC Credit Event Announcement" means a DC Credit Event Announcement which the Calculation Agent determines is an Applicable Resolution. An Applicable DC Credit Event Announcement will be deemed not to have occurred with respect to the Credit-Linked Notes unless (i) the relevant Credit Event Resolution Request Date relating to the DC Credit Event Announcement and the relevant Credit Event was, in the determination of the Calculation Agent, an Applicable Request which occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable;

"Applicable DC No Credit Event Announcement" means a DC No Credit Event Announcement which the Calculation Agent determines is relevant to the Credit-Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC No Credit Event Announcement and the Credit Events, Reference Entities and Obligations thereof under the Credit-Linked Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

"Applicable Request" means a request that a Credit Derivatives Determinations Committee be convened to Resolve the matters described in the definition of Credit Event Resolution Request Date or Succession Event Resolution Request Date, as applicable, which the Calculation Agent determines is relevant to the Credit-Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof which are the subject of the request and the Credit Events, Reference Entities and Obligations thereof under the Credit-Linked Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

"Applicable Resolution" means a DC Resolution or DC Credit Event Announcement which the Calculation Agent determines is relevant to the Credit-Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof and any other factor to which such DC Resolution relates and the terms of the Credit-Linked Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

"Applicable Transaction Auction Settlement Terms" means, with respect to a Reference Entity and a Credit Event, the relevant Credit Derivatives Auction Settlement Terms which the Calculation Agent determines constitute Applicable Credit Derivatives Auction Settlement Terms;

"Asset Transfer Notice" means a duly completed asset transfer notice substantially in the form obtained from the specified office of the Registrar or any Paying Agent;

"Assignable Loan" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans;

"Auction" means, with respect to a Reference Entity and a Credit Event, unless otherwise specified in the Applicable Transaction Auction Settlement Terms, an auction pursuant to which an Auction Final Price is to be determined in accordance with an auction procedure set out in the relevant Credit Derivatives Auction Settlement Terms;

"Auction Cancellation Date" means, with respect to an Auction, unless otherwise specified in the relevant Applicable Transaction Auction Settlement Terms, the date on which such Auction was deemed to have been cancelled as announced by ISDA (and/or the administrators specified in the relevant Credit Derivatives Auction Settlement Terms) on its website or such other date as determined and announced in accordance with the relevant Applicable Transaction Auction Settlement Terms;

"Auction Cash Settlement Amount" means an amount in the Specified Currency (rounded to the nearest unit of the Specified Currency (with half of one unit of the specified currency being rounded down to the nearest integral amount of such currency)) as determined by the Calculation Agent equal to the greater of (A)(1) the Credit-Linked Payer Calculation Amount in respect of the relevant Reference Entity, multiplied by (2) the Auction Final Price, minus (3) Unwind Costs and (B) zero;

"Auction Cash Settlement Date" means the second Business Day following the Auction Settlement Date determined in accordance with the Applicable Credit Derivatives Auction Settlement Terms or such other date specified in the applicable Final Terms, as determined by the Calculation Agent;

"Auction Final Price" means, with respect to an Applicable Auction, unless otherwise specified in the relevant Applicable Transaction Auction Settlement Terms, the price (expressed as a percentage) in respect of the deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s) and/or Valuation Obligation(s) under the Credit-Linked Notes determined to be the Auction Final Price in accordance with the relevant Applicable Transaction Auction Settlement Terms. The Calculation Agent shall as soon as practicable after publication of the Auction Final Price in respect of an Applicable Auction make available for inspection by Noteholders at the specified office of the Issuing and Paying Agent a copy of the relevant Applicable Transaction Auction Settlement Terms and copies of the relevant publication of the Auction Final Price. Such notice shall be subject to the requirements regarding notices set out in Term 4 (*Notices*);

"Auction Final Price Determination Date" means, with respect to an Applicable Auction, the day, if any, on which the Auction Final Price is determined or such other date as specified in the relevant Applicable Transaction Auction Settlement Terms;

"Bankruptcy" means a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or

restrained, in each case within 30 calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub-paragraphs (a) to (g) (inclusive);

"Basket Cash CLN" means Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the Final Terms, result in the CLNs being proportionally Cash Redeemed;

"Basket Cash or Physical CLN" means Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the Final Terms, result in a proportional redemption of the CLNs by (i) *"Auction Settlement"* or *"Cash Settlement"*, as applicable or (ii) *"Physical Settlement"*, as specified in the Final Terms as the case may be, at the option of the Issuer;

"Basket Physical CLN" means Physical Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the Final Terms, result in a proportional redemption of the CLNs by Physical Settlement;

"Best Available Information" means:

- (a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition of **"Successor"**, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (a) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of **"Successor"**,

provided that information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information;

"Bond" means any obligation of a type included in the Borrowed Money Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money obligation;

"Bond" or **"Loan"** means any obligation that is either a Bond or a Loan;

"Borrowed Money" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

"Business Day" means for the purposes of CLNs only (i) a day on which commercial banks and foreign exchange markets are generally open to settle payments in London, Luxembourg and in the jurisdiction of the currency of the Credit-Linked Payer Calculation Amount and in each Specified Business Centre specified in the applicable Final Terms, (ii) a day on which the TARGET System is open (if *"TARGET"* is specified for that purpose in the applicable Final Terms) and (iii) a day on which securities settlement systems are open for settlement of the relevant Deliverable Obligations;

"Cancellation Notice" means a notice given by the Calculation Agent prior to the Extended Maturity Date upon making a determination in respect of a Reference Entity that:

- (a) no Credit Event or (if Grace Period Extension is applicable in the relevant Final Terms) Potential Failure to Pay or (if Potential Repudiation/Moratorium is applicable) Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Termination Date;
- (b) if a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date, promptly upon making a determination that no Failure to Pay has occurred with respect to the relevant obligation; or
- (c) if a Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Termination Date, promptly upon making a determination that no Repudiation/Moratorium has occurred with respect to the relevant obligation (such determination being made prior to the Repudiation/Moratorium Evaluation Date);

"Capped Reference Entity" means, unless otherwise specified in the Final Terms:

- A. if the Physical Settlement Matrix is applicable, a Reference Entity corresponding to a Transaction Type in respect of which **"60 Business Days Cap on Settlement"** is expressed as applying in the Physical Settlement Matrix; and
- B. in all other cases, a Reference Entity designated as one of the following in the Final Terms:
 - (a) European Corporate;
 - (b) Australia Corporate;
 - (c) New Zealand Corporate;
 - (d) Japan Corporate;
 - (e) Singapore Corporate;
 - (f) Asia Corporate;
 - (g) Subordinated European Insurance Corporate;
 - (h) Asia Sovereign;
 - (i) Japan Sovereign;
 - (j) Australia Sovereign;
 - (k) New Zealand Sovereign;
 - (l) Singapore Sovereign; and
 - (m) Western European Sovereign;

"Cash Redeemed" means a Credit-Linked CLN in respect of which, for the relevant Reference Entity, (a) the Settlement Method is specified as **"Cash Settlement"** in the Final Terms, (b) the Settlement Method is specified as **"Auction Settlement"** and the Fallback Settlement Method is specified as **"Cash Settlement"** in the Final Terms or (c) the Settlement Method is specified as **"Auction Settlement"** and the Fallback Settlement Method is specified as **"Physical Settlement"** in the Final Terms but at the relevant time **"Auction Settlement"** is expected to apply;

"Cash Settled CLN" means any Credit-Linked Note which is, or is intended to be, Cash Redeemed upon the satisfaction of Conditions to Settlement (including, for the avoidance of doubt, any Cash or Physically Settled CLN that the Issuer elects will be Cash Redeemed);

"**Cash or Physical CLN**" means any Credit-Linked Note which, in respect of the relevant Reference Entity may be Cash Redeemed or Physical Redeemed, at the option of the Issuer, upon satisfaction of the Conditions to Settlement;

"**Cash Settlement Amount**" means the amount specified in the Final Terms or if no such amount is specified in the applicable Final Terms, an amount in the Specified Currency (rounded to the nearest unit of the Specified Currency (with half of one unit of the specified currency being rounded down to the nearest integral amount of such currency) as determined by the Calculation Agent on the Relevant Valuation Date equal to either (I) the greater of (A)(1) the Credit-Linked Payer Calculation Amount in respect of the relevant Reference Entity, multiplied by (2) the Final Price, minus (3) Unwind Costs and (B) zero or (II) (A) the aggregate of the Valuation Obligation Settlement Amounts in respect of each Valuation Obligation comprised in the relevant Valuation Obligations Portfolio minus (B) Unwind Costs;

"**Cash Settlement Date**" means, subject to Term 7 (*Redemption Suspension*), the date on which the Noteholders of a Cash Settled CLN are to be paid following the satisfaction of Conditions to Settlement and where the Cash Settlement provisions in Term 9 (*Cash Settlement*) apply. This date may be expressed in the Final Terms as being a specified number of Business Days after the date on which the Final Price is determined or if a number of Business Days is not so specified, three;

"**CLN Dealer**" means, a dealer in obligations of the type of Obligation(s) (as the case may be) for which Quotations are to be obtained (as selected by the Calculation Agent) and may include a Noteholder or its Affiliate or as may otherwise be specified in the Final Terms;

"**CLN Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the Final Terms (or, if CLN Specified Currency is specified in the Final Terms and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies may be referred to collectively as the "**Standard Specified Currencies**"). References in the Transaction Type Standard Terms to "**Specified Currency**" shall be deemed to be references to "**CLN Specified Currency**";

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

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

"**Conditions to Settlement**" means the occurrence of an Event Determination Date to the extent that such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date, as applicable, unless "*Physical Settlement*" is specified as the Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method), in which case all of the Conditions to Settlement shall be deemed to be satisfied by the satisfaction of the Notice of Physical Settlement Condition to Settlement on or following the occurrence of an Event Determination Date. For the avoidance of doubt, if an Event Determination Date is subsequently reversed prior to the relevant Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date) or the Maturity Date, the Conditions to Settlement shall not be deemed to have been satisfied with respect to the related Credit Event and Reference Entity for the purposes of these Terms;

"**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within the Deliverable Obligation Category that are Loans;

"**Convertible Obligation**" means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

"**Credit Derivatives Definitions**" means the 2003 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. as supplemented by the May 2003 Supplement and the July 2009 Supplement and, in addition, if the Additional Provisions are specified to be applicable, as supplemented by the Additional Provisions;

"**Credit Derivatives Determinations Committee**" means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Rules;

"**Credit Event**" means one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring or Additional Credit Event as specified in the Final Terms. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon: (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described;

"**Credit Event Backstop Date**" means:

- (a) for the purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in sub-paragraph (ii) of the definition thereof) for the purposes of certain credit derivatives transactions, as determined by a DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date, **provided that** the Calculation Agent determines that the DC Resolution is an Applicable Resolution and the Credit Event Resolution Request Date relates to an Applicable Request; or
- (b) otherwise, the date that is 60 calendar days prior to the earlier of:
 - (i) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and the Issuing and Paying Agent and are effective during the Notice Delivery Period; and
 - (ii) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules in relation to an Applicable Request, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, **provided that** such Resolution is an Applicable Resolution and (III) the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and the Issuing and Paying Agent and are effective

not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention;

"Credit Derivatives Auction Settlement Terms" means any Credit Derivatives Auction Settlement Terms published by ISDA in accordance with the Rules, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules;

"Credit Event Notice" means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer and the Issuing and Paying Agent (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. Where a Restructuring Credit Event occurs in respect of a Reference Entity after a Succession Event has occurred, and the CLNs are to be partially redeemed in accordance with Term 16 (*Restructuring Credit Event*), the Credit Event Notice shall specify the Reference Entity that is the subject of the Restructuring Credit Event. In addition, this will not prevent the delivery of Credit Event Notices in respect of other Reference Entities in respect of which Succession Events have occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

A Credit Event Notice shall be subject to the requirements regarding notices set out in Term 4.10;

"Credit Event Portion" means, subject to Term 15 (*Succession Event*), in the case of any Credit Event, a principal amount of the CLNs equal to:

- (a) in the case of a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN, (i) the Credit-Linked Payer Calculation Amount of the Reference Entity in respect of which the Credit Event Notice has been given expressed as a proportion of the aggregate of the Credit-Linked Payer Calculation Amounts of all the Reference Entities specified in the Final Terms multiplied by (ii) the initial aggregate principal amount of the CLNs; or
- (b) in all other cases, unless otherwise specified in the Final Terms, 100 per cent. of the then aggregate outstanding principal amount of the CLNs;

"Credit Event Resolution Request Date" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a credit event for purposes of certain credit derivative transaction(s) has occurred with respect to a particular reference entity or obligation thereof; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of publicly available information with respect to the DC Resolutions referred to in (a) and (b) above;

"Credit-Linked Notes" or **"CLNs"** means Notes which are linked to the credit of one or more Reference Entities and, where applicable, one or more specific Reference Obligations of those Reference Entities;

"Credit-Linked Payer Calculation Amount" means the amount and the currency in which the Issuer has purchased credit protection in respect of one or more Reference Entities as set out in the Final Terms and any references in the Credit Derivatives Definitions to Floating Rate Payer Calculation Amount shall be deemed to be references to the Credit-Linked Payer Calculation Amount;

"Currency Amount" means with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate and (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to that portion of the Credit Derivative Transaction into the currency of denomination of the relevant Replacement Deliverable Obligation;

"Currency Rate" means with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner and (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the Revised Currency Rate;

"Currency Rate Source" means the mid-point rate of conversion published by WM//Reuters at 4:00pm (London time) or any successor rate source approved by the relevant Credit Derivatives Determinations Committee;

"DC Credit Event Announcement" means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that (a) an event that constitutes a credit event for purposes of certain credit derivative transactions has occurred with respect to such Reference Entity (or an Obligation thereof) and (b) the Calculation Agent determines that such event occurred on or after the relevant Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time));

"DC Cut-off Date" means the earliest of (i) the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred; (ii) the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred; and (iii) the date that is fourteen calendar days after the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred;

"DC No Credit Event Announcement" means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a credit event for purposes of the certain credit derivatives transactions with respect to such Reference Entity (or an obligation thereof);

"Default Requirement" means the amount as may be specified as such in the Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not so specified in the Final Terms, U.S.\$10,000,000 or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Credit Event;

"Deliver" means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations specified in the Notice of Physical Settlement to the Issuer or the

Noteholders, as the case may be, free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence as set out in the definition of Credit Event) or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor) **provided that** to the extent that the Deliverable Obligations consist of Direct Loan Participations, "**Deliver**" means to create (or procure the creation of) a participation in favour of the Issuer or the Noteholders, as the case may be, and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, "**Deliver**" means to Deliver both the Qualifying Guarantee and the Underlying Obligation. "**Delivery**" and "**Delivered**" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time;

"**Deliverable Obligation**" means, subject to Terms 16.2(c) and (d) (*Restructuring Credit Event*):

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee), described by the Deliverable Obligation Category and having each of the Deliverable Obligation Characteristics, in each case, as of the Delivery Date (but excluding any Excluded Deliverable Obligation) that is (i) payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in the definition of Credit Event) or right of set off by or of a Reference Entity or any applicable Underlying Obligor, and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (b) subject to the second paragraph in the definition of Not Contingent, each Reference obligation, unless specified in the Final Terms as an Excluded Deliverable Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in the definition of Credit Event) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any other obligation of a Reference Entity specified as such in the Final Terms;

"**Deliverable Obligation Category**" means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan as specified in the Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. No Deliverable Obligation Characteristics are applicable to Reference Obligations Only;

"**Deliverable Obligation Characteristics**" means any one or more of Not Subordinated, CLN Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer;

"**Delivery Date**" means, with respect to the Portfolio, the date such Deliverable Obligations comprised in the Portfolio are Delivered;

"Delivery Expenses" means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the relevant Portfolio payable by Noteholders;

"Direct Loan Participation" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent the Issuer is then a lender or member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

"Domestic Currency" means the currency specified as such in the Final Terms and any successor currency. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency);

"Downstream Affiliate" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity;

"Due and Payable Amount" means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);

"EDD Adjustment Amount" means an amount in the Specified Currency determined by the Calculation Agent in respect of each Credit-Linked Note equal to the sum of:

- (a) each amount of interest in respect of each Credit-Linked Note that would not have been paid (if any) on any Interest Payment Date to Noteholders had the earlier Event Determination Date been the date originally determined as the Event Determination Date; and
- (b) interest accrued on each such amount on a daily basis at the applicable Overnight Rate as determined by the Calculation Agent for the period from, and including, the Interest Payment Date on which the relevant interest amount was paid to, but excluding, the date on which the Credit-Linked Notes are redeemed For the avoidance of doubt, such interest will be compounded on a daily basis;

"Election Notice" has the meaning given to it in Term 4.3;

"Eligible Transferee" means each of the following:

- (a)
 - (i) bank or other financial institution;
 - (ii) insurance or reinsurance company;
 - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) below); and
 - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),
provided however, in each case that such entity has total assets of at least U.S.\$500 million;
- (b) an Affiliate of an entity specified in the preceding sub-paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity;

- (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least U.S.\$100 million or (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100 million; or
- (ii) that has total assets of at least U.S.\$500 million; or
- (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) or (d) above; or
- (d) a Sovereign, Sovereign Agency or Supranational Organisation,

and where all references in this definition to U.S.\$ include equivalent amounts in other currencies;

"Enabling Obligation" means an outstanding Deliverable Obligation that (i) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (ii) has a final maturity date occurring on or prior to the Scheduled Termination Date and following the Limitation Date immediately preceding the Scheduled Termination Date (or, in circumstances where the Scheduled Termination Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any);

"Equity Securities" means:

- (a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time;

"Escrow" means, if Escrow is specified in the Final Terms as applicable, either the Issuer or the Noteholders may require that settlement of Physical Redeemed CLNs take place through the use of an Escrow Agent. Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the Noteholders **provided that** if a party requires that such physical settlement take place through an Escrow Agent, Delivery to the Escrow Agent by a party must occur within the time required for physical settlement in accordance with these Terms as if there were no Escrow Agent;

"Escrow Agent" means a financial institution that the Issuer or the Noteholders specify as such (or if a person is not so specified, an independent third party financial institution specified by Issuer prior to the Physical Settlement Date, subject to the terms of the escrow arrangement);

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

- (a) subject to sub-paragraph (b) of this definition, if neither an Applicable DC Credit Event Announcement nor an Applicable DC No Credit Event Announcement has occurred, the first date on which the Calculation Agent determines that both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and the Issuing and Paying Agent and are effective during either:
 - (i) the Notice Delivery Period; or
 - (ii) the period (A) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date and the Calculation Agent determines that such Resolution constitutes an Applicable Resolution and (B) to, and including, the date that is 14

calendar days thereafter (**provided that** the relevant Credit Event Resolution Request Date in respect of an Applicable Request occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)); or

- (b) notwithstanding sub-paragraph (a) of this definition, if an Applicable DC Credit Event Announcement has occurred as determined by the Calculation Agent, either:
 - (i) the Credit Event Resolution Request Date (in respect of the relevant Applicable Request as determined by the Calculation Agent), if
 - (I) either:
 - (A) "**Auction Settlement**" is specified as the applicable Settlement Method in the Final Terms; or
 - (B) the relevant Credit Event is a Restructuring; and
 - (II) the Credit Event Notice is delivered by the Calculation Agent to the Issuer and the Issuing and Paying Agent and is effective on or prior to the Exercise Cut-off Date; or
 - (ii) the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer and the Issuing and Paying Agent and is effective during the Notice Delivery Period or the period from, and including, the date on which ISDA publicly announces the occurrence of the relevant Applicable DC Credit Event Announcement to, and including, the date that is fourteen calendar days thereafter (**provided that** the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and is an Applicable Request as determined by the Calculation Agent), if either:
 - (I) "**Auction Settlement**" is not specified as the Settlement Method in the Final Terms; or
 - (II) "**Auction Settlement**" is specified as the Settlement Method in the Final Terms, the Credit Event Notice is delivered by the Calculation Agent to the Issuer and the Issuing and Paying Agent and is effective on a date that is later than the relevant Exercise Cut-off Date,

provided that, in the case of sub-paragraph (b) above:

- (1) no Physical Settlement Date, if applicable, or Cash Settlement Date, Auction Cash Settlement Date or Maturity Date has occurred on or prior to the date on which the Applicable DC Credit Event Announcement occurs;
- (2) if any Valuation Date or Delivery Date, as applicable, has occurred as of the date on which the Applicable DC Credit Event Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the Credit Event Portion of the Credit-Linked Notes outstanding to which such Event Determination Date relates, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
- (3) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer and the Issuing and Paying Agent, (aa) unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date or (bb) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the outstanding principal balance of the Credit-Linked Notes;

"**Event Determination Date Reversal**" has the meaning given to it in Term 14.3;

"**Event Determination Notice**" has the meaning given to it in Term 4.2;

"Exchangeable Obligation" means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

"Excluded Deliverable Obligation" means any obligation of a Reference Entity specified as such or of a type described in the Final Terms;

"Excluded Obligation" means any obligation of a Reference Entity specified as such or of a type described in the Final Terms;

"Exercise Amount" has the meaning given to it in Term 16.1;

"Exercise Cut-off Date" means, with respect to a Credit Event:

- (a) if such Credit Event is not a Restructuring (or if such Credit Event is a Restructuring, neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms), either:
 - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date in respect of an Applicable Auction, if any;
 - (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
 - (iii) the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable; or
- (b) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and:
 - (i) the relevant Credit Derivatives Determinations Committee has Resolved that Applicable Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five Relevant City Business Days following the date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules, **provided that** the Calculation Agent determines that such Resolution and Credit Derivatives Auction Settlement Terms constitute an Applicable Resolution and Applicable Credit Derivatives Auction Settlement Terms, as applicable; or
 - (ii) a No Auction Announcement Date occurs pursuant to sub-paragraph (a) of the definition of No Auction Announcement Date, the date that is 21 calendar days following such No Auction Announcement Date;

"Extended Maturity Date" means, where an Extension Notice has been delivered in accordance with the definition thereof, the date that is 15 Business Days (or such other date as may be specified in the Final Terms) after the later of (i) Extension Date and (ii) if Credit Derivatives Determination Committee Extension is applicable, the DC Cut-Off Date;

"Extended Physical Settlement Date" means the date that is the 60th Business Day following the Physical Settlement Date;

"Extension Date" means, the latest to occur of:

- (a) the Scheduled Termination Date (if an Extension Notice was served pursuant to sub-paragraph (a) of the definition of Extension Notice);
- (b) the Grace Period Extension Date (if an Extension Notice was served pursuant to sub-paragraph (b) of the definition of Extension Notice) if (i) Grace Period Extension is specified as applicable in the applicable Final Terms; (ii) the Credit Event that is the subject of the Credit Event Notice or

the notice to ISDA resulting in the occurrence of a Credit Event Resolution Request Date, as applicable, is a Failure to Pay Credit Event that occurs after the Final Extension Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)); and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Final Extension Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)); and

- (c) the Repudiation/Moratorium Evaluation Date (if an Extension Notice was served pursuant to sub-paragraph (c) of the definition of Extension Notice) if (i) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of a Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in sub-paragraph (ii) of the definition of Repudiation/Moratorium occurs after the Final Extension Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)); (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Final Extension Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)); and (iii) the Repudiation/Moratorium Extension Condition is satisfied;

"Extension Notice" means a notice from the Calculation Agent to the Issuer and the Issuing and Paying Agent giving notice of the following in relation to a Reference Entity:

- (a) without prejudice to sub-paragraphs (b), (c) and (d) below, that a Credit Event has occurred or may occur on or prior to the Scheduled Termination Date; or
- (b) (if Grace Period Extension is specified as applicable in the Final Terms) that a Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Termination Date; or
- (c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Scheduled Termination Date. For the purposes of this sub-paragraph (c), the giving of a Repudiation/Moratorium Extension Notice (if on or prior to the Scheduled Termination Date) shall be deemed to satisfy the requirement to give notice under this definition of Extension Notice. However, the giving of an Extension Notice in accordance with this sub-paragraph (c) shall not in any way preclude the subsequent giving of a Repudiation/Moratorium Extension Notice; or
- (d) if Credit Derivatives Determinations Committee Extension is specified as applicable in the Final Terms, that (a) a Credit Event Resolution Request Date has occurred and (b) the Credit Derivatives Determinations Committee has not made its determination on or prior to such dates (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

An Extension Notice shall be subject to the requirements regarding notices set out in Term 4.10;

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

"Fallback Settlement Method" means, with respect to Credit-Linked Notes for which **"Auction Settlement"** is specified as the Settlement Method in the applicable Final Terms, the Fallback Settlement Method specified in such Final Terms or, if no Fallback Settlement Method is so specified for Cash Settled CLNs, the Fallback Settlement Method shall be deemed to be **"Cash Settlement"**;

"Final List" has the meaning given to that term in the Rules;

"Final Price" means the price of the Reference Obligation, Deliverable Obligation, Valuation Obligation or Undeliverable Obligation, expressed as a percentage determined in accordance with the Valuation Method specified in the applicable Final Terms or, where applicable, Term 16 (*Restructuring Credit Event*), with respect to the Relevant Valuation Date;

"Final Price Calculation Date" means, with respect to a particular Valuation Obligation included in the Valuation Obligations Portfolio, the date on which the Final Price in respect of such Valuation Obligation is determined;

"First-to-Default Cash CLN" means first-to-default Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be redeemed by "Auction Settlement" or "Cash Settlement", as applicable;

"First-to-Default Cash or Physical CLN" means first-to-default Physical Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be Cash Redeemed or Physical Redeemed, as the case may be, at the option of the Issuer;

"First-to-Default Physical CLN" means first-to-default physically settled Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be Physical Redeemed;

"First-to-Default Template" means the First to Default Template, as most recently amended or supplemented as at the Issue Date (unless otherwise specified in the Final Terms) and as published by ISDA;

"Full Quotation" means, in accordance with the Quotation Method, each firm quotation (expressed as a percentage of the Outstanding Principal Balance) obtained from a CLN Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, Deliverable Obligation or Valuation Obligation, as the case may be, with an Outstanding Principal Balance equal to the Quotation Amount;

"Fully Transferable Obligation" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of Fully Transferable Obligation, such determination shall be made (in the case of a Physically Settled CLN) as of the Delivery Date or, as the case may be (in the case of a Cash Settled CLN), the Relevant Valuation Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

"Further Extended Physical Settlement Date" has the meaning given to it in Term 10.6;

"Governmental Authority" means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity;

"Grace Period" means, subject to sub-paragraphs (a) and (b) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred, **provided that** (a) if Grace Period Extension is specified in the Final Terms as applicable, a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference

Entity is Japan Corporate or Japan Sovereign, Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the Final Terms or, if no period is specified, 30 calendar days; and (b) if at the later of the Trade Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; **provided that**, unless Grace Period Extension is specified as applicable in the Final Terms, such deemed Grace Period shall expire no later than the Scheduled Termination Date;

"Grace Period Business Day" means, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency;

"Grace Period Extension Date" means, if (a) Grace Period Extension is specified as applicable in the Final Terms and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If Grace Period Extension is not specified as applicable in the Final Terms, Grace Period Extension shall not apply. If (i) Grace Period Extension is specified as applicable in the Final Terms, (ii) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and (iii) an Event Determination Date in respect of that Failure to Pay does not occur on or prior to the Notice Delivery Period (including prior to the Trade Date), the later of the Scheduled Termination Date and the Grace Period Extension Date will be the Maturity Date (even if a Failure to Pay occurs after the Scheduled Termination Date);

"Hedge Disruption Event" means, in the opinion of the Calculation Agent, any event as a result of which the Issuer and/or any of its Affiliates and/or its agents has not received the relevant Deliverable Obligations and/or cash under the terms of a Hedge Transaction (the **"Undelivered Portion"**);

"Hedge Transaction" means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the CLNs;

"Intervening Period" means such period of time as any person other than the relevant Noteholder shall continue to be registered as the legal owner of any securities or other obligations comprising the relevant Portfolio Delivered to such Noteholder;

"ISDA" means the International Swaps and Derivatives Association, Inc. (or any successor thereto);

"July 2009 Supplement" means the July 2009 Supplement to the 2003 ISDA Credit Derivative Definitions, as published by the ISDA;

"Latest Permissible Physical Settlement Date" means 30 calendar days following the Physical Settlement Date;

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

"Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds or, if specified as applicable to a Deliverable Obligation Category, the Listing Deliverable Obligation Characteristics shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds;

"Loan" means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money;

"London Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"Market Value" means, with respect to a Reference Obligation, a Deliverable Obligation or a Valuation Obligation, as the case may be, on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date the Market Value shall be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation, Deliverable Obligation or Valuation Obligation, as the case may be, obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

"Maturity Date" has the meaning given to it in Term 3.3;

"Maximum Maturity" means an obligation that has a remaining maturity from the Physical Settlement Date or Valuation Date, as the case may be, of not greater than (a) the period specified in the Final Terms or (b) if no such period is specified in the Final Terms, 30 years;

"May 2003 Supplement" means the May 2003 Supplement to the 2003 ISDA Credit Derivative Definitions, as published by the ISDA;

"Minimum Quotation Amount" means the amount specified as such in the Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) U.S.\$1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount;

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

"Modified Restructuring Maturity Limitation Date" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Termination Date, **provided that**, in circumstances where the Scheduled Termination Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. If "Modified Restructuring Maturity Limitation and

Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and the Scheduled Termination Date is later than the 2.5-year Limitation Date and, prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Termination Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Termination Date is later than (A) the 2.5-year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Termination Date;

"Movement Option" means, if either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms to the relevant Reference Entity, and if a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date, the option of the Calculation Agent to determine in good faith the Parallel Auction Settlement Terms, if any, that shall be deemed to be applicable for the purposes of the Notes and **"Auction Settlement"** in respect of a Reference Entity and a Credit Event (for which purpose the Issuer may take into account (a) the terms of the relevant Parallel Auction Settlement Terms, the permissible derivable obligations thereunder and the Deliverable Obligations under the Notes and (b) any hedging transaction that the Issuer has or may enter into in connection with the Credit-Linked Notes);

"Movement Option Cut-off Date" means the date that is four Relevant City Business Days following the Exercise Cut-off Date (or such longer or lesser period as determined by the Calculation Agent taking into account any hedging transactions entered into by the Issuer in respect of the CLNs);

"Multiple Holder Obligation" means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event, **provided that** any Obligation that is a Bond shall be deemed to satisfy the requirement in (b) above;

"Next Currency Fixing Time" means 4.00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPS Amendment Notice, as applicable, is effective;

"No Auction Announcement Date" means, with respect to Credit-Linked Notes for which **"Auction Settlement"** is specified as the Settlement Method in the Final Terms, a Reference Entity and a Credit Event, the date on which the Calculation Agent determines that ISDA first publicly announces that:

- (a) no Applicable Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published; or
- (b) following the occurrence of a Restructuring, if either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms, no Applicable Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary and the Calculation Agent determines that such Resolution is an Applicable Resolution and no Applicable Auction will be held;

"Non-Capped Reference Entity" means, unless otherwise specified in the Final Terms, a Reference Entity:

- (A) if the Physical Settlement Matrix is applicable, corresponding to a Transaction Type in respect of which "60 Business Day Cap on Settlement" is expressed as not applying in the Physical Settlement Matrix; and

- (B) in all other cases, designated as one of the following in the Final Terms:
- (a) North American Corporate;
 - (b) Emerging European Corporate LPN;
 - (c) Emerging European Corporate;
 - (d) Latin America Corporate B;
 - (e) Latin America Corporate BL;
 - (f) Africa Corporate;
 - (g) Emerging European & Middle Eastern Sovereign;
 - (h) Africa Sovereign; and
 - (i) Latin America Sovereign;

"Non-Succession Event Reference Entities" has the meaning given to it in Term 15.3;

"Not Bearer" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognised clearing system, and, if specified as applicable to a Deliverable Obligation Category, the Not Bearer Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds;

"Not Contingent" means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (i) to convert or exchange such obligation or (ii) to require the issuer to purchase or redeem such obligation (if the issuer has exercised the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in sub-paragraphs (i) and (ii) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

"Not Domestic Currency" means any obligation that is payable in any currency other than the Domestic Currency;

"Not Domestic Issuance" means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity;

"Not Domestic Law" means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;

"Not Sovereign Lender" means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as **"Paris Club debt"**;

"Not Subordinated" means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity **provided that**, if any of the events set forth under sub-paragraph (a) of the definition of Substitute Reference Obligation below has occurred with respect to all of the Reference Obligations or if, with respect to the Reference Obligation, one or more Successors to the Reference Entity have been identified and any one or more such Successors have not assumed the Reference Obligation (each, in each case, a **"Prior Reference Obligation"**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the **"Not Subordinated"** Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, **"Not Subordinated"** shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the Not Subordinated Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (i) the Trade Date specified in the Final Terms and (ii) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date;

"Notice Delivery Period" means the period from and including the Trade Date to and including the Scheduled Termination Date or, if an Extension Notice has been given, the date that is 14 Business Days (or such other number of days as may be specified in the Final Terms) after the Extension Date;

"Notice of Physical Settlement" means a notice from the Calculation Agent to the Issuer and the Issuing and Paying Agent that (a) irrevocably confirms that the Issuer will settle in relation to the CLNs and such CLNs shall be Physical Redeemed in accordance with Term 10 (*Physical Settlement*) and (b) contains a detailed description of the Deliverable Obligations that the Issuer will, if the CLNs are to be Physical Redeemed, Deliver to or to the order of the Noteholders, including the outstanding principal balance or Due and Payable Amount, as applicable, (in each case, the **"Outstanding Amount"**) of each such Deliverable Obligation and, if available and applicable, the CUSIP or ISIN number (or if such identifying number is not available, the rate and tenor of each such Deliverable Obligation) and (c) where (i) the relevant Credit Event is a Restructuring, (ii) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and (iii) the Scheduled Termination Date is later than (A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date contains a detailed description of at least one Enabling Obligation, which description will include the CUSIP or ISIN number, if available and applicable (or, if such identifying number is not available, the rate and tenor), of such Enabling Obligation and any other information necessary to establish that such obligation is an Enabling Obligation.

The Issuer may notify the Noteholders (each such notification a **"NOPS Amendment Notice"** and delivered in accordance with Condition 13 (*Notices*)) that the Issuer is replacing in whole or in part one or more Deliverable Obligations to be Delivered (to the extent such Deliverable Obligation has not previously been Delivered) or the detailed description thereof specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice. A NOPS Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that Issuer expects to Deliver (each, a **"Replacement Deliverable Obligation"**) and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the **"Replaced Deliverable Obligation Outstanding Amount"**). The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any such change resulting from such NOPS Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the detailed description of the Deliverable Obligations contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable by notice to the Noteholders (in accordance with Condition 13 (*Notices*)) prior to the relevant Delivery Date, it being understood that such notice of correction shall not constitute a NOPS Amendment Notice. A Notice of Physical Settlement shall be subject to the requirements regarding notices set out in Terms 4.7 and 4.9 (*Notices*);

"Notice of Physical Settlement Condition to Settlement" will be deemed to have been satisfied by the delivery by the Calculation Agent of a Notice of Physical Settlement to the Issuer and the Issuing and

Paying Agent that is effective subject, where applicable, to Term 7 (*Redemption Suspension*), on or prior to two Business Days following the date that is:

- (a) subject to sub-paragraph (b) of this definition, the later of:
 - (i) the thirtieth calendar day (subject to adjustment in accordance with any applicable Business Day Convention) after the Event Determination Date; and
 - (ii) the tenth calendar day after either (I) the date of the relevant DC Credit Event Announcement, if any, or (II) the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date, if any, as applicable; or
- (b) if "**Physical Settlement**" is specified as applicable pursuant to the Fallback Settlement Method and the Notes are to be Physical Redeemed and:
 - (i) the relevant Credit Event is not a Restructuring (or, if such Credit Event is a Restructuring, neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms), the thirtieth calendar day after the Auction Cancellation Date or the No Auction Announcement Date, as applicable; or
 - (ii) the relevant Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms, either:
 - (I) the thirtieth calendar day after:
 - (A) a No Auction Announcement Date occurring pursuant to sub-paragraph (a) of the definition of No Auction Announcement Date, if any;
 - (B) a No Auction Announcement Date occurring pursuant to sub-paragraph (c) of the definition of No Auction Announcement Date, if any, in circumstances where no Parallel Auction will be held; or
 - (C) the Auction Cancellation Date, if any, as applicable; or
 - (II) the Relevant City Business Day immediately following the later of the Parallel Auction Final Price Determination Date, if any (or, if more than one should occur, the last Parallel Auction Final Price Determination Date), and the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:
 - (A) a No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date and the Calculation Agent has not exercised any Movement Option; or
 - (B) a No Auction Announcement Date occurs pursuant to sub-paragraph (c) of the definition of No Auction Announcement Date in circumstances where one or more Parallel Auctions will be held,

provided that in the case of sub-paragraph (a)(ii) and sub-paragraph (b) of this definition, the relevant Credit Event Resolution Request Date occurred on or prior to the date described in sub-paragraph (a)(i) of this definition.

For purposes of determining whether the Notice of Physical Settlement Condition to Settlement has been satisfied, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used;

"Notice of Publicly Available Information" means an irrevocable notice from the Calculation Agent to the Issuer and the Issuing and Paying Agent (which may be in writing (including by facsimile and/or email) by telephone and which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both sub-paragraphs (i) and (ii) of the definition of Repudiation/Moratorium. The notice must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applicable in the Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices set out in Term 4.9;

"Notice to Exercise Movement Option" means, if (a) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and (b) the Fallback Settlement Method would otherwise be applicable pursuant to Term 11.3(b) of these Terms, a notice from the Calculation Agent to the Issuer and the Issuing and Paying Agent that (i) specifies the Parallel Auction Settlement Terms applicable with respect to Credit-Linked Notes in accordance with the Movement Option and (ii) is effective on or prior to the Movement Option Cut-off Date;

"Nth-to-Default Cash CLN" means any First-to-Default Cash CLN or any other nth-to-default Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the relevant Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be Cash Redeemed; where **"nth"** means any ordinal number, as specified in the applicable Final Terms. For the avoidance of doubt, such CLNs may not be required to be redeemed upon the first occurrence of a Credit Event in respect of a Reference Entity in respect of which credit protection has been purchased by the Issuer from the Noteholders;

"Nth-to-Default Cash or Physical CLN" means any First-to-Default Cash or Physical CLNs or any other nth-to-default Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the relevant Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be (i) Cash Redeemed or (ii) Physical Redeemed, as the case may be, at the option of the Issuer; where **"nth"** means any ordinal number, as specified in the applicable Final Terms. For the avoidance of doubt, such CLNs may not be required to be redeemed upon the first occurrence of a Credit Event in respect of a Reference Entity in respect of which credit protection has been purchased by the Issuer from the Noteholders;

"Nth-to-Default Physical CLN" means any First-to-Default Physical CLN or any other nth-to-default basket physically settled Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the relevant Reference Entities, all the CLNs (other than in the case of a Restructuring Credit Event, where the CLNs may be redeemed in part) will, unless otherwise specified in the Final Terms, be Physical Redeemed; where **"nth"** means any ordinal number, as specified in the applicable Final Terms. For the avoidance of doubt, such CLNs may not be required to be redeemed upon the first occurrence of a Credit Event in respect of a Reference Entity in respect of which credit protection has been purchased by the Issuer from the Noteholders;

"Obligation" means (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee) described by the Obligation Category specified in the Final Terms, and having the Obligation Characteristics specified in the Final Terms (but excluding any Excluded Obligation), in each case, as of the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit

Event Resolution Request Date, as applicable, (b) each Reference Obligation, unless specified in the Final Terms as an Excluded Obligation, and/or (c) any other obligation of a Reference Entity specified as such in the Final Terms;

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

"Obligation Category" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the Final Terms;

"Obligation Characteristics" means any one or more of Not Subordinated, CLN Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in the Final Terms;

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

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

"Officer's Certification" means a certificate signed by a director (or other substantively equivalent title) of the Calculation Agent which shall certify the occurrence of a Credit Event with respect to a Reference Entity;

"Original Bonds" has the meaning given to it in Term 10.6;

"Original Loans" has the meaning given to it in Term 10.6;

"Outstanding Amount" has the meaning given to it in Term 16.2;

"Outstanding Principal Balance" means:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof;
- (b) with respect to any Exchangeable Obligation that is not an Accreting Obligation, the outstanding principal balance of such obligation excluding any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is exchangeable; and
- (c) with respect to any other Obligation, the outstanding principal balance of such Obligation;

"Overnight Rate" means the overnight rate for deposits in the relevant currency as determined by the Calculation Agent, in good faith having regard to any then existing market practice;

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

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

"Parallel Auction Final Price Determination Date" means **"Auction Final Price Determination Date"** as defined in the relevant Parallel Auction Settlement Terms;

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

"Parallel Auction Settlement Terms" means, following the occurrence of a Restructuring, if either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in

the relevant Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the deliverable obligation terms are the same as the Deliverable Obligation provisions applicable to the Notes and the Calculation Agent determines that the related Auction would not be an Applicable Auction for the purposes of the Credit-Linked Notes;

"**Partial Principal Amount**" has the meaning given to it in Term 15.1 or 15.2, as applicable;

"**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

"**Payment Requirement**" means the amount specified as such in the Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not so specified in the Final Terms, U.S.\$1,000,000 or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable;

"**Permitted Currency**" means (a) the legal tender of any Group of seven country (or any country that becomes a member of the Group of seven if such Group of seven expands its membership); or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by S&P, Aaa or higher assigned to it by Moody's or AAA or higher assigned to it by Fitch Ratings;

"**Physical Determination Date**" has the meaning given to it in Term 4.6;

"**Physical Redeemed**" means a Credit-Linked CLN in respect of which, for the relevant Reference Entity, (a) the Settlement Method is specified as "**Physical Settlement**" in the Final Terms or (b) the Settlement Method is specified as "**Auction Settlement**" and the Fallback Settlement Method is specified as "**Physical Settlement**" in the Final Terms but at the relevant time "**Physical Settlement**" is expected to apply;

"**Physically Settled CLN**" means any Credit-Linked Note which is, or is intended to be, Physical Redeemed upon the satisfaction of Conditions to Settlement (including, for the avoidance of doubt, any Cash or Physically Settled CLN that the Issuer elects to Physical Redeem);

"**Physical Settlement Matrix**" means the Credit Derivatives Physical Settlement Matrix Supplement to the Credit Derivatives Definitions, as most recently amended or supplemented as at the Issue Date (unless otherwise specified in the Final Terms) and as published by ISDA on its website at www.isda.org (or any successor website). The Physical Settlement Matrix may be applicable to Credit-Linked Notes that are Cash Settled CLNs where the Transaction Type Standard Terms are specified as applicable with respect to such Cash Settled CLNs and one or more Transaction Type(s) are specified as applying to the Reference Entity(ies) of such Cash Settled CLN;

"**Physical Settlement Date**" means the last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement **provided that** if the Final Price of any Undeliverable Obligations has not been determined by the Business Day immediately preceding the Physical Settlement Date, the Physical Settlement Date shall be the second Business Day after such Final Price is determined;

"**Physical Settlement Period**" means the number of Business Days specified as such in the Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent;

"**Portfolio**" means all Deliverable Obligations comprising the relevant Credit Event Portion as selected by the Calculation Agent on behalf of the Issuer in its sole discretion, having an Outstanding Principal Balance (in the case of Deliverable Obligations that are Borrowed Money) or a Due and Payable Amount (in the case of Deliverable Obligations that are not Borrowed Money) (or the equivalent Specified Currency amount converted at the Currency Rate) on the Physical Settlement Date up to the Credit-Linked Payer Calculation Amount where:

- (a) in the case of such Deliverable Obligations that are Borrowed Money, the relevant Outstanding Principal Balance should include accrued but unpaid interest (as determined by the Calculation Agent) if "**Include Accrued Interest**" is specified as applying in the applicable Final Terms, but should exclude accrued but unpaid interest if "**Exclude Accrued Interest**" is specified as applying in the applicable Final Terms, and if neither "**Include Accrued Interest**" nor "**Exclude Accrued Interest**" is specified as applying in the applicable Final Terms, should exclude accrued but unpaid interest; and
- (b) if an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

For the avoidance of doubt, the Calculation Agent (which if not the Issuer, shall be done on behalf of the Issuer) shall be entitled to select any of the Deliverable Obligations irrespective of their market value;

"Potential Cash Settlement Event" means an event beyond the control of the Issuer (including, without limitation, failure of the relevant clearance system; or the failure to obtain any requisite consent with respect to the Delivery of Loans or the non-receipt of any such requisite consents or any relevant participation (in the case of Direct Loan Participation) is not effected; or due to any law, regulation or court order, (but excluding market conditions) or any contractual, statutory and/or regulatory restriction relating to the relevant Deliverable Obligation, or due to the failure of the Noteholder to give the Issuer details of accounts for settlement; or a failure of the Noteholder to open or procure the opening of such accounts or if the Noteholders are unable to accept Delivery of the Portfolio for any other reason);

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

"Potential Repudiation/Moratorium" means the occurrence of an event described in sub-paragraph (i) of the definition of Repudiation/Moratorium;

"Public Source" means (a) each source of Publicly Available Information specified as such in the Final Terms (or, if a source is not so specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources) and (b) each announcement published by ISDA on its website;

"Publicly Available Information" means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which (a) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; **provided that**, if the Calculation Agent or the Issuer or any of their Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Calculation Agent or the Issuer or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (b) is information received from or published by (i) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (c) is information contained in sub-paragraph (d) of the definition of Bankruptcy against or by a Reference Entity, or (d) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

In the event that the Calculation Agent or the Issuer is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the

Obligation with respect to which such Credit Event has occurred and (ii) a holder of such Obligations, the Calculation Agent or the Issuer as the case may be shall be required to deliver an Officer's Certification.

In relation to any information of any type described in (b), (c) and (d) above, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information. Publicly Available Information need not state:

- (A) in relation to the definition of Downstream Affiliate, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and
- (B) that such occurrence:
 - I. has met the Payment Requirement or Default Requirement;
 - II. is the result of exceeding any applicable Grace Period; or
 - III. has met the subjective criteria specified in certain Credit Events;

"Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity;

"Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **"Underlying Obligation"**) for which another party is the obligor (the **"Underlying Obligor"**). Qualifying Guarantees shall exclude any arrangement (a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (b) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation;

In the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

- (i) for purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation;
- (ii) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: Not Subordinated, CLN Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law;
- (iii) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer;
- (iv) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor; and

- (v) the terms "**Outstanding Principal Balance**" and "**Due and Payable Amount**" (as they are used in the Terms), when used in connection with Qualifying Guarantees are to be interpreted to be the then Outstanding Principal Balance or Due and Payable Amount, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee;

"**Qualifying Participation Seller**" means any participation seller that meets the requirements specified in the related Confirmation. If no such requirements are specified, there shall be no Qualifying Participation Seller;

"**Quotation**" means, in respect of Reference Obligations, Deliverable Obligations or Valuation Obligations, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Relevant Valuation Date in the manner that follows:

- (a) the Calculation Agent shall attempt to obtain Full Quotations with respect to each Relevant Valuation Date from five or more CLN Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more CLN Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation;
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation, Deliverable Obligation or Valuation Obligation, as the case may be, obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;
- (c)
- (i) if "*Include Accrued Interest*" is specified in the Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;
- (ii) if "*Exclude Accrued Interest*" is specified in the Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and
- (iii) if neither "*Include Accrued Interest*" nor "*Exclude Accrued Interest*" is specified in the Final Terms in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation, Deliverable Obligation or Valuation Obligation, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination; and
- (b) if any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price;

"**Quotation Amount**" means with respect to a Reference Obligation, a Deliverable Obligation or a Valuation Obligation, the amount specified in the Final Terms (which may be specified by reference to an amount in a currency or by reference to Representative Amount) or, if no amount is so specified, the Credit-Linked Payer Calculation Amount (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);

"**Quotation Method**" means the applicable Quotation Method specified in the applicable Final Terms by reference to one of the following terms:

- (a) "**Bid**" means that only bid quotations shall be requested from CLN Dealers;

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

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply;

"Reference Entity" or **"Reference Entities"** means the reference entity or reference entities specified in the Final Terms and any Successor either (a) as determined by the Calculation Agent on or following the Trade Date or (b) identified by the Calculation Agent by reference to a public announcement by ISDA on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules;

"Reference Obligation" means (a) the Reference Obligation specified in the Final Terms, or (b) any Substitute Reference Obligation;

"Reference Obligations Only" means any obligation that is a Reference Obligation and no Obligation Characteristics or, as the case may be, Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only;

"Reference Price" means the percentage specified as such in the Final Terms or, if a percentage is not so specified, 100 per cent.;

"Relevant City Business Day" has the meaning given to that term in the Rules;

"Relevant Obligations" means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case;

"Relevant Valuation Date" means the relevant Valuation Date or Undeliverable Valuation Date, as the case may be;

"Remaining Amount" has the meaning given to it in Term 15.1;

"Representative Amount" means an amount that is representative for a single transaction in the relevant market and at the relevant time such amount to be determined by the Calculation Agent;

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

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/ Moratorium occurs on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; **provided that**, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Termination Date

unless the Repudiation/Moratorium Extension Condition is satisfied. If (A) the Repudiation/Moratorium Extension Condition is satisfied and (B) an Event Determination Date in respect of that Repudiation/Moratorium does not occur on or prior to the final day of the Notice Delivery Period, the later of the Scheduled Termination Date and the Repudiation/Moratorium Evaluation Date will be the Maturity Date (even if a Repudiation/Moratorium occurs after the Scheduled Termination Date);

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

- (a) the Calculation Agent determines that ISDA has publicly announced pursuant to a valid request that was made, in accordance with the Rules, and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Termination Date that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and such Resolution constitutes an Applicable Resolution; or
- (b) otherwise by the delivery by the Calculation Agent to the Issuer and the Issuing and Paying Agent of a Repudiation/Moratorium Extension Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Termination Date;

in all cases, the Calculation Agent may determine that the Repudiation/Moratorium Extension Condition has not been satisfied, or is not capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Termination Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), in each case **provided that** the Calculation Agent determines such Resolution is an Applicable Resolution;

"**Repudiation/Moratorium Extension Notice**" means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Calculation Agent to the Issuer and the Issuing and Paying Agent that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

A Repudiation/Moratorium Extension Notice shall be subject to the requirements regarding notices set out in Term 4.10;

"**Resolve**", "**Resolved**", "**Resolves**" and "**Resolving**" means, with respect to a Credit Derivatives Determinations Committee, the making of a specific determination in accordance with the relevant Rules (and each such determination, a "**DC Resolution**");

"**Restructured Bond or Loan**" means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred;

"**Restructuring**" means:

- (a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that

binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of (I) the relevant Credit Event Backstop Date and (II) the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency;
- (b) notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:
- (i) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (ii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (iii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity;
- (c) for purposes of sub-paragraphs (a) and (b) above and (d) below, the term "**Obligation**" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in sub-paragraph (a) shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in sub-paragraph (b) shall continue to refer to the Reference Entity; and
- (d) unless Multiple Holder Obligation is specified as not applicable in the Final Terms, then, notwithstanding anything to the contrary in sub-paragraph (a), (b) or (c) above, the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation;

"**Restructuring Credit Event**" has the meaning given to it in Term 16.1;

"**Restructuring Date**" means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring;

"**Restructuring Maturity Limitation Date**" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Termination Date, **provided that**,

in circumstances where the Scheduled Termination Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a "**Latest Maturity Restructured Bond or Loan**") and the Scheduled Termination Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan;

In the event that the Scheduled Termination Date is later than (i)(A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Termination Date;

"**Revised Currency Rate**" means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent in a commercially reasonable manner;

"**Rules**" means, with respect to a Credit Derivatives Determinations Committee, the Credit Derivatives Determinations Committees Rules as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof;

"**Scheduled Termination Date**" means the date specified as such in the related Final Terms which date shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the Final Terms;

"**Settlement Currency**" means the currency specified in the Final Terms or, if no currency is so specified, the currency of denomination of the Credit-Linked Payer Calculation Amount;

"**Settlement Date**" means the latest of the Auction Cash Settlement Date, the Cash Settlement Date, the Physical Settlement Date, the Delivery Date, the Latest Permissible Physical Settlement Date, the Extended Physical Settlement Date or the Further Extended Physical Settlement Date, as the case may be;

"**Settlement Method**" means if (a) "**Auction Settlement**" is specified as the applicable Settlement Method in the Final Terms, auction settlement pursuant to Term 11 (*Auction Settlement*), (b) "**Cash Settlement**" is specified as the applicable Settlement Method in the Final Terms, cash settlement pursuant to Term 9 (*Cash Settlement*) or (c) "**Physical Settlement**" is specified as the applicable Settlement Method in the Final Terms, physical settlement pursuant to Term 10 (*Physical Settlement*);

"**Single Reference Entity Cash CLN**" means single Reference Entity Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity. Upon the satisfaction of the Conditions to Settlement in respect of such Reference Entity, the CLNs will, unless otherwise specified in the Final Terms, be Cash Redeemed;

"**Single Reference Entity Cash or Physical CLN**" means single Reference Entity Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity. Upon the satisfaction of the Conditions to Settlement in respect of such Reference Entity, the CLNs will, unless otherwise specified in the Final Terms, be redeemed by (i) "**Auction Settlement**" or "**Cash Settlement**", as applicable, or (ii) "**Physical Settlement**", as the case may be, at the option of the Issuer;

"**Single Reference Entity Physical CLN**" means single Reference Entity Physically Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity. Upon the satisfaction of the Conditions to Settlement in respect of such Reference Entity, the CLNs will, unless otherwise specified in the Final Terms, be redeemed by Physical Settlement;

"**Sovereign**" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof;

"Sovereign Agency" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign;

"Sovereign Restructured Deliverable Obligation" means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the Final Terms, and, subject as set out in the definition of Deliverable Obligation Category, having each of the Deliverable Obligation Characteristics, if any, specified in the Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring;

"Specified Number" means (a) the number of Public Source(s) specified in the applicable Final Terms, or if no number is specified in the applicable Final Terms, two and (b) where the Publicly Available Information is an ISDA publication, one;

"Standard Alternative Cash Settlement Specifications" means, for the purposes of determining the Final Price in relation to the Alternative Cash Settlement Amount pursuant to Term 10 (*Physical Settlement*) only, the following terms shall be defined as follows (notwithstanding the definitions of such terms in this Term 1 (*Definitions*)):

- (a) **"Indicative Quotation"** means, in accordance with the Quotation Method, each quotation obtained from a CLN Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation, as the case may be, equal to the Quotation Amount, which reflects such CLN Dealer's reasonable assessment of the price of such Undeliverable Obligation, as the case may be, based on such factors as such CLN Dealer may consider relevant, which may include historical prices and recovery rates;
- (b) **"Market Value"** means, with respect to an Undeliverable Obligation on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the same highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the applicable Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day or prior to the tenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day;
- (c) **"Quotation"** means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the applicable Final Terms, each Indicative Quotation

obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (i) the Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more CLN Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more CLN Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more CLN Dealers;
 - (ii) if the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day of, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day;
 - (iii) the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination; and
 - (iv) if any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for purposes of determining the Final Price;
- (d) "**Quotation Amount**" is deemed to be, with respect to each type or issue of Undeliverable Obligation an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation;
 - (e) "**Quotation Method**" is deemed to be Bid;
 - (f) "**Reference Obligation**" is deemed to be each Undeliverable Obligation;
 - (g) "**Valuation Date**" is deemed to be the date that is two Business Days after the Latest Permissible Physical Settlement Date;
 - (h) "**Valuation Method**" is deemed to be the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date, unless fewer than two Full Quotations are obtained (or, if applicable, fewer than three Indicative Quotations are obtained) and no Weighted Average Quotation applies in which case "**Valuation Method**" is deemed to be Market Value;
 - (i) "**Valuation Time**" is the time specified as such in the applicable Final Terms, or, if no time is so specified, 11.00 a.m. in the principal trading market for the Undeliverable Obligation; and
 - (j) "**Weighted Average Quotation**" means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from CLN Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation with an Outstanding

Principal Balance of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount;

"Subordination" means, with respect to an obligation (the **"Subordination Obligation"**) and another obligation of the Reference Entity to which such obligation is being compared (the **"Senior Obligation"**), a contractual, trust or similar arrangement providing that (a) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (b) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. Subordinated will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall not be taken into account where the Reference Entity is a Sovereign;

"Substitute Reference Obligation" means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) in the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation;
- (b) any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Issuer under the CLNs and (iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations;
- (c) if more than one specific Reference Obligation is identified as a Reference Obligation in relation to the CLNs, any of the events set forth under sub-paragraph (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation;
- (d) if more than one specific Reference Obligation is identified as a Reference Obligation in relation to CLNs, any of the events set forth under sub-paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation;

- (e) if (i) more than one specific Reference Obligation is identified as a Reference Obligation in relation to the CLNs, any of the events set forth under sub-paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to the CLNs, any of the events set forth under section (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date. If (A) either the CLNs are to be Cash Redeemed and the Cash Settlement Amount is determined by reference to a Reference Obligation or Valuation Obligation or the CLNs are to be Physical Redeemed and the Reference Obligation is the only Deliverable Obligation, and (B) on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), a Substitute Reference Obligation has not been identified, the Issuer's obligations under the CLNs shall cease as of the end of the day on the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)); and
- (f) for purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation;

"**Succeed**", for the purposes of the provisions relating to the determination of Successor, means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to clause (a) of the definition of "**Successor**" shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged;

"**Succession Event**" means (a) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement or (b) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity, as determined by the Calculation Agent. Notwithstanding the foregoing, "**Succession Event**" shall not include an event (i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (ii) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the applicable Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time));

"**Succession Event Backstop Date**" means:

- (a) for purposes of any event that constitutes a Succession Event for the purposes of certain credit derivative transactions, as determined by DC Resolution, the date that is 90 calendar days prior to the relevant Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), **provided that** the Calculation Agent determines that such DC Resolution constitutes an Applicable Resolution; or
- (b) otherwise, the date that is 90 calendar days prior to the earlier of (A) the date on which the Succession Event Notice is effective and (B) in circumstances where (I) the conditions to

convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Succession Event Notice is delivered by the Calculation Agent to the Issuer and the Issuing and Paying Agent not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date, **provided that** the Calculation Agent determines that such DC Resolutions constitute Applicable Resolutions.

The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the Final Terms;

"Succession Event Notice" means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer and the Issuing and Paying Agent that describes a Succession Event that occurred on or after the relevant Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, pursuant to the definition of Successor, of (a) whether a Succession Event has occurred and (b) if relevant, the identity of any Successor(s).

A Succession Event Notice shall also be subject to the requirements regarding notices set out in Term 4.9;

"Succession Event Reference Entity" has the meaning given to it in Term 15.3;

"Succession Event Resolution Request Date" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Succession Event for purposes of certain credit derivatives transactions has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (i) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (ii) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective, **provided that** the Calculation Agent determines that such request and the Resolution constitute an Applicable Request and an Applicable Resolution;

"Successor" means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set out below:
 - (i) if one entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
 - (ii) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;
 - (iii) if more than one entity each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remains with

- the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor, and the terms of Term 15 (*Succession Event*) shall be applicable;
- (iv) if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor, and the terms of Term 15 (*Succession Event*) shall be applicable;
 - (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity and the terms of Term 15 (*Succession Event*) shall be applicable; and
 - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and
- (b) in relation to a Sovereign Reference Entity, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

With respect to any Reference Entity (other than a Sovereign Reference Entity), the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth in sub-paragraph (a) above have been met, or which entity qualifies under sub-paragraph (a)(vi) above, as applicable, **provided that** the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraph (a) above, in sub-paragraph (a) of the definition of "*Succession Event Resolution Request Date*" and sub-paragraph (b)(i) of the definition of "*Succession Event Resolution Request Date*", are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event for purposes of the certain credit derivative transactions has occurred, and in each case the Calculation Agent determines that such DC Resolution is an Applicable Resolution. In calculating the percentages used to determine whether the relevant thresholds set forth in the definition of "**Successor**" have been met, or which entity qualifies under sub-paragraph (a)(vi) of such definition, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall notify the Issuer (or, if the Calculation Agent is the Issuer, the Noteholders) of such calculation.

In the case of (a) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set out in sub-paragraphs (a)(i) to (vi) above have been met, or which entity qualifies under sub-paragraph (a)(vi) above, as applicable. In calculating the percentages used to determine whether the relevant thresholds set out in sub-paragraph (a) above have been met, or which entity qualifies under sub-paragraph (a)(vi) above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall notify the Issuer of such calculation.

With respect to any Sovereign Reference Entity, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under sub-paragraph (b) above; **provided that** the Calculation Agent will not make such determination if, at such time, either (i) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraph (b) above and sub-paragraphs (a) and (b)(i) of the definition of "*Succession Event Resolution Request Date*" are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (ii) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred and the Calculation Agent determines that such DC Resolution is an Applicable Resolution. A copy of the notice of any determination of a Successor shall be given to Noteholders in accordance with Condition 13 (*Notices*).

For the purposes of this definition of "**Successor**", "**succeed**" means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) as a result of an obligation exchange or otherwise and such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations).

Where:

- (i) a Reference Obligation is specified in the Final Terms; and
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of Substitute Reference Obligation;

"**Successor Reference Entity**" has the meaning given to it in Term 15.1 or Term 15.2, as applicable;

"**Supranational Organisation**" means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development;

"**Suspension Event**" means the Calculation Agent determines that a public announcement has been made by ISDA that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules and such announcement relates to a Reference Entity and Credit Event under the CLNs;

"**Suspension Event Cessation Date**" means, with respect to a Suspension Event, the date on which the Calculation Agent determines that ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved either (a) the matters described in the definition of Suspension Event or (b) not to determine such matters;

"**Terms**" means the provisions of the Standard Terms for Credit-Linked Notes as may be modified and/or supplemented in the Final Terms;

"**Trade Date**" means the date from which the credit protection purchased by the Issuer commences, as specified in the applicable Final Terms or if not so specified, the Issue Date;

"**Transaction Type**" means, unless otherwise specified in the Final Terms:

A. for the purposes of the application of the Physical Settlement Matrix to the CLNs if the Physical Settlement Matrix is applicable, each Reference Entity designated as one of the following in the Final Terms:

- (a) North American Corporate;
- (b) European Corporate;
- (c) Australia Corporate;
- (d) Subordinated European Insurance Corporate
- (e) Emerging European Corporate LPN
- (f) Emerging European Corporate
- (g) Latin America Corporate B
- (h) Latin America Corporate BL
- (i) New Zealand Corporate;
- (j) Japan Corporate;
- (k) Singapore Corporate;
- (l) Asia Corporate;
- (m) Asia Sovereign;
- (n) Emerging European & Middle Eastern Sovereign;
- (o) Japan Sovereign;
- (p) Australia Sovereign;
- (q) New Zealand Sovereign;
- (r) Singapore Sovereign;
- (s) Latin America Sovereign;
- (t) Western European Sovereign,

and any other Transaction Type which may be added to the Physical Settlement Matrix from time to time; and

B. for the purposes of the application of the Programme Transaction Type Standard Terms to the CLNs, each Reference Entity designated as one of the following in the Final Terms:

- (a) Africa Corporate; and
- (b) Africa Sovereign;

"Transaction Type Standard Terms" means, unless otherwise specified in the Final Terms, in respect of any Transaction Type specified in the Final Terms as a Reference Entity:

- (a) if the Physical Settlement Matrix is applicable, the relevant terms corresponding to such Transaction Type contained in the Physical Settlement Matrix; and
- (b) in all other cases, the relevant Transaction Type Standard Terms corresponding to such Entity Type contained in Appendix 1 hereto (the **"Programme Transaction Type Standard Terms"**).

For the avoidance of doubt, the Transaction Type Standard Terms can also apply to Cash Settled CLNs;

"Transferable" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction **provided that** none of the following shall be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds,

and, if specified as applicable to a Deliverable Obligation Category, the Transferable Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are not Loans;

"Undeliverable Obligation" means in the case of a Physical Settled CLN, any Deliverable Obligation which is the subject of the Potential Cash Settlement Event and/or a Hedge Disruption Event;

"Undeliverable Valuation Date" means the date that is two Business Days after the latest of the Latest Permissible Physical Settlement Date, the Extended Physical Settlement Date or the Further Extended Physical Settlement Date, as the case may be;

"Unwind Costs" means the amount specified in the applicable Final Terms or if *"Standard Unwind Costs"* are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, fees, charges, expenses (including loss of funding), tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption of the CLNs and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each nominal amount of CLNs in the Calculation Amount;

"Valuation Date" means the date that is the number of calendar days or Business Days (as specified in the Final Terms) after the Conditions to Settlement have been satisfied (or in the case of a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN, each date on which the Conditions to Settlement have been satisfied) or, if no date is so specified, the date that is five Business Days after the Conditions to Settlement have been satisfied;

"Valuation Method":

- (a) The following Valuation Methods may be specified in the applicable Final Terms for a CLN with only one Reference Obligation and only one Valuation Date:
 - (i) **"Market"** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
 - (ii) **"Highest"** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Market;

- (b) The following Valuation Methods may be specified in the applicable Final Terms for a CLN with only one Reference Obligation and more than one Valuation Date:
 - (i) **"Average Market"** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
 - (ii) **"Highest"** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
 - (iii) **"Average Highest"** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Market;

- (c) The following Valuation Methods may be specified in the applicable Final Terms for a CLN with more than one Reference Obligation and only one Valuation Date:
- (i) "**Blended Market**" means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date;
 - (ii) "**Blended Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date;
 - (iii) "**Weighted Blended Market**" means the weighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the CLNs; or
 - (iv) "**Weighted Blended Highest**" means the weighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the CLNs.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Weighted Blended Market;

- (d) The following Valuation Methods may be specified in the applicable Final Terms for a CLN with more than one Reference Obligation and more than one Valuation Date:
- (i) "**Average Blended Market**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;
 - (ii) "**Average Blended Highest**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;
 - (iii) "**Weighted Average Blended Market**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the weighted arithmetic mean of the values so determined with respect to each Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the CLNs; or
 - (iv) "**Weighted Average Blended Highest**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Market Valuation Method, the weighted arithmetic mean of the values so determined with respect to each Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the CLNs.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Weighted Average Blended Market;

- (e) Notwithstanding sub-paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be;

"**Valuation Obligation**" means in respect of a Reference Entity, one or more obligations of such Reference Entity (either directly or as provider of a Qualifying Guarantee or, as the case may be, Qualifying Affiliate Guarantee), which would constitute a "**Deliverable Obligation**" as selected by the Issuer in its sole and absolute discretion on the Relevant Valuation Date, within the Deliverable Obligation Category and with the Deliverable Obligation Characteristics as specified in the Final Terms except for the following amendments:

- (a) any reference to the words "**Delivery Date**" in the definitions of Conditionally Transferable Obligation, Deliverable Obligation, within any of the terms comprising Deliverable Obligation Category or Deliverable Obligation Characteristic and Due and Payable Amount shall be deemed to be a reference to the words "**Relevant Valuation Date**";
- (b) the deletion of the words "**being Delivered**" in the definition of Deliverable Obligation; and
- (c) the deletion of the whole of the second paragraph within the definition of "**Not Contingent**" and replacing it with the following:

"If an Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Obligation may only be included in the Valuation Obligations Portfolio if the rights referred to in sub-paragraphs (i) and (ii) above have not been exercised (or such exercise has been effectively rescinded) on or before the Relevant Valuation Date."

For the avoidance of doubt, the use of Deliverable Obligation terms in the definition of Valuation Obligation is for convenience only and is not intended to amend the selected settlement method;

"**Valuation Obligations Portfolio**" means, with respect to a Reference Entity, one or more types or issues of Valuation Obligations selected by the Issuer in its sole and absolute discretion. If the Valuation Obligations Portfolio with respect to a Reference Entity comprises more than one Valuation Obligation then the Issuer shall in its sole and absolute discretion apportion to each such Valuation Obligation an Outstanding Principal Balance or Due and Payable Amount (or the equivalent in the Specified Currency thereof), which in aggregate shall be an amount most closely approximate (as determined by the Issuer in its sole and absolute discretion) to the Credit-Linked Payer Calculation Amount for such Reference Entity;

"**Valuation Obligation Settlement Amount**" means, in respect of each Valuation Obligation comprised in a Valuation Obligations Portfolio, an amount equal to the greater of (A)(1) a percentage equal to the relevant Final Price, multiplied by (2) the relevant Outstanding Principal Balance or Due and Payable Amount apportioned to such Valuation Obligation by the Issuer in accordance with its sole and absolute discretion, and (B) zero;

"**Valuation Time**" means the time specified in the Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation, Valuation Obligation or Undeliverable Obligation, as the case may be;

"**Voting Shares**" shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity; and

"**Weighted Average Quotation**" means, in accordance with the bid quotations provided by the CLN Dealers, the weighted average of firm quotations obtained from the CLN Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation, Deliverable Obligation or Valuation Obligation, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

2. Credit Event Terms

The Final Terms shall specify:

- 2.1 the type of Credit-Linked Notes which may be any of the following:
 - (a) Single Reference Entity Cash CLN;
 - (b) Single Reference Entity Physical CLN;
 - (c) Single Reference Entity Cash or Physical CLN;
 - (d) nth-to-Default Cash CLN;
 - (e) nth-to-Default Physical CLN;
 - (f) nth-to-Default Cash or Physical CLN;
 - (g) Basket Cash CLN;
 - (h) Basket Physical CLN;
 - (i) Basket Cash or Physical CLN; or
 - (j) Credit-Linked Notes of a type other than those set out in (a) to (i) above as specified in the Final Terms (including, without limitation, Credit-Linked Notes which are a combination of one or more of the above, for example, notes which have different settlement methods for Bonds and Loans);
- 2.2 the Reference Entity or Reference Entities in respect of which a Credit Event may occur (which shall include any Successor(s) thereto);
- 2.3 the Reference Obligation(s) (if any) in respect of each Reference Entity;
- 2.4 the Settlement Method and, if applicable, the Fallback Settlement Method;
- 2.5 whether the Transaction Type Standard Terms are applicable and, if so, the relevant Transaction Type(s), as the case may be;
- 2.6 the Trade Date and the Scheduled Termination Date;
- 2.7 the Credit-Linked Payer Calculation Amount in respect of each Reference Entity;
- 2.8 the relevant Credit Events, including (i) whether Grace Period Extension applies (which enables a Potential Failure to Pay that occurred prior to the Scheduled Termination Date but that resulted in a Failure to Pay after the Scheduled Termination Date to be a Credit Event), (ii) whether there is any Default Requirement or Payment Requirement for an amount other than U.S.\$10,000,000 and U.S.\$1,000,000 respectively, and (iii) where Restructuring is specified as an applicable Credit Event, whether "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" applies or, as the case may be, "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" applies or otherwise if neither applies;
- 2.9 the Obligations in respect of which the Credit Event may occur, including the Obligation Category and the Obligation Characteristics;
- 2.10
 - (a) the Deliverable Obligations that may be Delivered or used to calculate the Cash Settlement Amount or Alternative Cash Settlement Amount, as the case may be, including the Deliverable Obligation Category and the Deliverable Obligation Characteristics;
 - (b) the designation of each Reference Entity for the purposes of the definitions of Capped Reference Entity and Non-Capped Reference Entity;

- 2.11 the relevant Conditions to Settlement that have to be satisfied upon the occurrence of a Credit Event; and
- 2.12 if "**Auction Settlement**" is specified as the Settlement Method, whether Credit Derivatives Determinations Committee Extension is applicable.

3. **Final Redemption and Maturity Date**

- 3.1 Unless either (i) the CLNs have been previously redeemed or purchased and cancelled, or (ii) an Event Determination Date has occurred in respect of a Reference Entity, the Issuer will redeem each of the CLNs on the Maturity Date in an amount equal to its outstanding principal amount together with interest accrued or any redemption premium in accordance with the applicable Final Terms on the Maturity Date.
- 3.2 The Calculation Agent may deliver to the Issuer and the Issuing and Paying Agent an Extension Notice at any time prior to 11.00 a.m. (London time) two Business Days prior to the Scheduled Termination Date (the "**Final Extension Notice Date**"). As soon as reasonably practicable after the service of an Extension Notice, the Issuer shall promptly inform the Trustee and the Noteholders in accordance with Condition 13 (*Notices*).
- 3.3 For the purposes of Credit-Linked Notes, "**Maturity Date**" means:
 - (a) the Scheduled Termination Date, or if later,
 - (b) the date which is three Business Days following the earlier of:
 - (i) the date on which the Cancellation Notice is given; or
 - (ii) the Extended Maturity Date.

If an Event Determination Date occurs on or prior to the Extended Maturity Date, **provided that** in the case of Physically Settled CLNs, the Notice of Physical Settlement has been delivered by the Physical Determination Date, redemption of the CLNs shall be subject to and in accordance with the relevant provisions of these Terms.

4. **Notices**

- 4.1 In accordance with these Terms, the Calculation Agent may deliver a Credit Event Notice and (if applicable) a Notice of Publicly Available Information to the Issuer and the Issuing and Paying Agent at any time during the Notice Delivery Period.
- 4.2 The Issuer shall give notice or shall procure that notice is given (the "**Event Determination Notice**") to the Trustee and the Noteholders in accordance with Condition 13 (*Notices*), that an Event Determination Date has occurred as soon as reasonably practicable after receiving notification of such Event Determination Date from the Calculation Agent.
- 4.3 Where the CLNs are Single Reference Entity Cash or Physical CLN, Nth-to-Default Cash or Physical CLN or Basket Cash or Physical CLN, the Issuer shall give notice or shall procure that notice is given (the "**Election Notice**") to the Trustee, the Issuing and Paying Agent, the Calculation Agent and the Noteholders in accordance with Condition 13 (*Notices*) on or before the tenth calendar day after the Event Determination Date, that the Issuer elects that the CLNs will be Cash Redeemed or Physical Redeemed, as the case may be.
- 4.4 Where the CLNs are Nth-to-Default Cash CLNs or Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs, the Calculation Agent may give a Credit Event Notice (and the Notice of Publicly Available Information and/or Notice of Physical Settlement, as applicable) in respect of a Credit Event that has occurred in relation to any of the Reference Entities (which Credit Event may or may not be the first to occur). If a Credit Event occurs with respect to more than one Reference Entity on the same day, the Calculation Agent shall in its sole discretion select which Reference Entity shall be deemed to be subject to the Credit Event provisions, if any.

- 4.5 Where Restructuring is specified in the relevant Final Terms as being an applicable Credit Event, there may be more than one Event Determination Date in respect of the same Reference Entity as further described in Term 16 (*Restructuring Credit Event*) below. In addition, in the case of a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN, there may be multiple Event Determination Dates but, other than as set out in the preceding sentence, only one Event Determination Date in respect of each Reference Entity. An Event Determination Date in respect of more than one Reference Entity may occur on any one date. The provisions set out in these Terms set out the mechanics that apply in respect of one Reference Entity and shall apply severally to each Reference Entity for a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN.
- 4.6 In the case of a Physically Settled CLN, a Notice of Physical Settlement must be delivered by the Calculation Agent to the Trustee, the Issuing and Paying Agent, the Noteholders and the Issuer on or before the thirtieth calendar day after the relevant Event Determination Date (such thirtieth calendar day being the "**Physical Determination Date**"). For purposes of determining whether such Notice of Physical Settlement has been so delivered by the Physical Determination Date, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used. Notices to Noteholders shall be delivered in accordance with Condition 13 (*Notices*).
- If a Notice of Physical Settlement is not delivered on or before the Physical Determination Date, the CLNs will then be redeemed in accordance with Term 9 (*Cash Settlement*) except that for the purposes of interpreting such Term 9 (*Cash Settlement*), the Cash Settlement Date shall be deemed to be five Business Days after the Physical Determination Date.
- 4.7 Where an Event Determination Date Reversal has occurred pursuant to Term 14 (*Reversals and Adjustments to Event Determination Dates*), the Issuer shall give notice or shall procure that notice is given to the Trustee, the Issuing and Paying Agent, the Calculation Agent and the Noteholders in accordance with Condition 13 (*Notices*), of the occurrence of such Event Determination Date Reversal.
- 4.8 In the case of a Cash Settled CLN where "**Auction Settlement**" is specified as the Settlement Method, if, pursuant to Term 11.3, the Fallback Settlement Method is to apply, the Issuer shall give notice or shall procure that notice is given to the Trustee, the Issuing and Paying Agent, the Calculation Agent and the Noteholders in accordance with Condition 13 (*Notices*) that the Fallback Settlement Method, as specified in the applicable Final Terms, is to apply.
- 4.9 Where Repudiation/Moratorium is specified in the relevant Final Terms as being an applicable Credit Event, the Calculation Agent may give a Repudiation/Moratorium Extension Notice to the Issuer and the Issuing and Paying Agent (which may also be deemed to be an Extension Notice for the purposes of Term 3 (*Final Redemption and Maturity Date*)) in accordance with the terms thereof.
- 4.10 In relation to the delivery by the Calculation Agent to the Issuer and/or the Issuing and Paying Agent of any notice pursuant to these Terms, a notice delivered on or prior to 4.00 p.m. (London time) on a Business Day will be effective on such Business Day. A notice delivered after 4.00 p.m. (London time) on a Business Day or on a day which is not a Business Day will be deemed effective on the next following Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.
- 4.11 As soon as reasonably practicable after the service of any notice on the Issuer in accordance with these Terms, the Issuer shall promptly inform the Trustee and the Noteholders of the content of such notices in accordance with Condition 13 (*Notices*) (if the Trustee and the Noteholders have not already received a copy of such notice).

5. Interest

- 5.1 Subject to Term 6 (*Interest Postponement*) and paragraph (b) below, if an Extension Notice has been given, (unless one or more Event Determination Dates occur in which case sub-paragraph (b) below shall apply in respect of the Credit Event Portion) the CLNs will continue to bear interest from (and including) the Scheduled Termination Date to (but excluding) the Extended Maturity Date (or the date on which the Cancellation Notice is deemed to be delivered). Such interest shall accrue on the outstanding principal amount of the CLNs at a rate equal to the rate that the Issuing and Paying Agent would pay to an independent institutional customer for a deposit of an equivalent period.
- 5.2 Upon the occurrence of an Event Determination Date and subject to Term 14 (*Reversals and Adjustments to Event Determination Dates*), interest on the Credit Event Portion of the CLNs shall cease to accrue in the manner specified in the Final Terms. The Final Terms may specify that:
- (a) interest ceases to accrue from the Interest Payment Date immediately preceding the Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date);
 - (b) interest ceases to accrue from (but excluding) the Event Determination Date; or
 - (c) interest ceases to accrue from the Interest Payment Date immediately preceding the relevant Cash Settlement Date, Auction Settlement Date, Physical Settlement Date or Delivery Date, as applicable (or, in the case of the first Interest Period, the Interest Commencement Date).

6. Interest Postponement

- 6.1 If an Applicable Request in respect of a Credit Event is made on or prior to any Interest Payment Date or in respect of which an Applicable Resolution has not been published, the payment of interest (if any) scheduled to be paid to Noteholders on or about such Interest Payment Date will be suspended. If in connection with such Applicable Request either (i) an Applicable DC Credit Event Announcement is made but the Calculation Agent determines that the Event Determination Date relating thereto is a date falling after such Interest Payment Date, or (ii) an Applicable DC No Credit Event Announcement is made, payment of the suspended interest will be made two Business Days after the date the Event Determination Date is so determined or the date of the Applicable DC No Credit Event Announcement, as applicable. If in connection with such Applicable Request, an Applicable DC Credit Event Announcement is made and the Calculation Agent determines that the Event Determination Date relating thereto is a date falling on or prior to such Interest Payment Date, no payment of the suspended interest will be made.
- 6.2 No additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to sub-paragraph (a) above. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 13 (*Notices*) as soon as reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this Term 6 (*Interest Postponement*).

7. Redemption Suspension

If, following the determination of an Event Determination Date in accordance with sub-paragraph (a) of the definition of Event Determination Date but prior to the Maturity Date, the Cash Settlement Date, the Auction Cash Settlement Date, the relevant Physical Settlement Date, a Delivery Date or, to the extent applicable, a Valuation Date, as applicable, the Calculation Agent determines that a Suspension Event has occurred, the timing requirements relating to notices of physical settlement and the timing requirements of Terms 3 (*Final Redemption and Maturity Date*), 9 (*Cash Settlement*), 10 (*Physical Settlement*) and 11 (*Auction Settlement*) of these Terms, as applicable, or any other provision of these Terms and the Notes that pertains to redemption and settlement, shall toll and remain suspended until the Suspension Event Cessation Date. During such suspension period, neither the Calculation Agent nor the Issuer is obliged to take any action in connection with the redemption and settlement of the Notes. The relevant timing requirements and redemption and settlement provisions, as applicable, that have previously tolled or been

suspended shall resume on the Business Day following the relevant Suspension Event Cessation Date with the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Term 7 (*Redemption Suspension*). Without prejudice to any amounts payable pursuant to Term 14 (*Reversals and Adjustments to Event Determination Dates*) of these Terms, no additional amounts shall be payable by the Issuer in connection with any such suspension.

8. Calculation Agent

The 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 Terms Notes 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 the CLNs, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the CLNs including, without limitation, the giving of any notice by it to any person, 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.

9. Cash Settlement

9.1 In the case of a Cash Settled CLN where "*Cash Settlement*" is specified as the Settlement Method in the Final Terms or where "*Cash Settlement*" is specified as the Fallback Settlement Method and the Fallback Settlement Method applies, upon the satisfaction of the Conditions to Settlement on or prior to the last day of the Notice Delivery Period, the Issuer shall redeem the relevant Credit Event Portion of the CLNs on the Cash Settlement Date by payment of the relevant Cash Settlement Amount to the Noteholders, such amount to be apportioned *pro rata* among the Noteholders, rounding the resultant figure downwards to the nearest sub-unit of the relevant Specified Currency.

9.2 If the CLNs are partially redeemed, the relevant Note or, if the CLNs are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption.

10. Physical Settlement

10.1 In the case of a Physically Settled CLN, upon the satisfaction of the Conditions to Settlement by the Physical Determination Date, the Issuer shall redeem the Credit Event Portion of the CLNs on or prior to the relevant Physical Settlement Date by using its reasonable endeavours to Deliver the relevant Portfolio, subject to Terms 10.3 and 10.4 below, to the Noteholders, in each case, to be apportioned *pro rata* among such Noteholders.

10.2 If the CLNs are partially redeemed, the relevant CLN or, if the CLNs are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption.

10.3

- (a) If the CLNs are represented by one or more Global Notes, delivery of the Portfolio will (subject as provided below) be made against presentation or surrender, as the case may be, of the relevant Global Note at the specified office of any Paying Agent outside the United States and delivery of a duly completed Asset Transfer Notice by the relevant Noteholder to such Paying Agent. A record of each delivery made against presentation or surrender of such Global Note will be made on such Global Note on behalf of the Issuer by the Paying Agent to which such Global Note is presented for the purpose of making such delivery, and such record shall be *prima facie* evidence that the delivery in question has been made.

The holder of a Global Note shall be the only person entitled to receive delivery of the relevant Portfolio in respect of CLNs represented by such Global Note and the Issuer will be discharged by delivery to, or to the order of, the holder of such Global Note in respect of each amount so delivered. Each of the persons shown in the records of

Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of CLNs represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each delivery so made by the Issuer to, or to the order of, the holder of such Global Note. No person other than the holder of such Global Note shall have any claim against the Issuer in respect of any deliveries due on that Global Note. No person shall have any claim against the Trustee in respect of any deliveries due on any Global Note.

- (b) If the CLNs are in definitive form, in order to obtain delivery of the *pro rata* share of the Portfolio in respect of any Note, if such Note is in definitive form, the relevant Noteholder must deliver (i) if such Note is a Bearer Note, to any Paying Agent or (ii) if such Note is a Registered Note, to the Registrar or any Paying Agent, in each case with a copy to the Issuer, not later than the close of business in each place of reception on the Asset Transfer Notice Cut-Off Date specified in the applicable Final Terms, a duly completed Asset Transfer Notice.
- (c) Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent and the Note must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- (i) specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the delivery of the relevant Portfolio and any details required for delivery of the relevant Portfolio set out in the applicable Final Terms;
- (ii) include an undertaking to pay all Delivery Expenses;
- (iii) specify an account to which any amount payable or any other cash amounts specified in the applicable Final Terms as being payable are to be paid; and
- (iv) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the CLNs which are the subject of such notice.

Failure to properly complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in the Terms and Conditions shall be made by the relevant Paying Agent or the Registrar, as the case may be, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

- 10.4 If the Issuer is unable to Deliver any portion of the Portfolio on or prior to the Physical Settlement Date due to any Potential Cash Settlement Event or Hedge Disruption Event, rendering it impossible or illegal for the Issuer to Deliver or for the Noteholder to accept Delivery of any portion of the Portfolio on or prior to the Physical Settlement Date, then on such date the Issuer shall give notice to the Trustee (in accordance with Condition 13 (*Notices*)) of its inability to Deliver any portion of the Portfolio and shall:

- (a) Deliver that portion of the Portfolio in respect of which Delivery is possible and legal and the Issuer shall continue to endeavour to Deliver any Undeliverable Obligation; and
- (b) if any Undeliverable Obligations have not been delivered on or prior to the Latest Permissible Physical Settlement Date, then Alternative Cash Settlement shall apply to such Undeliverable Obligations as determined by the Calculation Agent on the Undeliverable Valuation Date.

The Issuer shall pay the Noteholders an amount equal to the Alternative Cash Settlement Amount (based on and determined by the Calculation Agent in its sole discretion, with respect to each Undeliverable Obligation, (i) the Final Price calculated in accordance with the Alternative Cash Settlement Specifications specified in the Final Terms; or (ii) if the Calculation Agent determines that there has been an Applicable Auction and an Auction Final Price has been published, such Auction Final Price; or (iii) if no Alternative Cash Settlement Specifications are specified in the applicable Final Terms, the Standard Alternative Cash Settlement Specifications) to be apportioned *pro rata* amongst the Noteholders on the Settlement Date.

- 10.5 If the Issuer is unable to Deliver any portion of the Portfolio on the Physical Settlement Date other than as a result of a Potential Cash Settlement Event (for the avoidance of doubt, including the occurrence of a Hedge Disruption Event), the Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans by the Extended Physical Settlement Date or, if applicable pursuant to Term 10.6 below, the Further Extended Physical Settlement Date.

If the Issuer is unable to Deliver any portion of the Portfolio on or prior to the Extended Physical Settlement Date or Further Extended Physical Settlement Date rendering it impossible or illegal for the Issuer to Deliver or for the Noteholder to accept Delivery of any portion of the Portfolio on or prior to the Extended Physical Settlement Date or Further Extended Physical Settlement Date, then on such date the Issuer shall give notice to the Trustee (in accordance with Condition 13 (*Notices*)) of its continued inability to Deliver any portion of the Portfolio and Alternative Cash Settlement shall apply to such Undeliverable Obligations as determined by the Calculation Agent on the Undeliverable Valuation Date. For the avoidance of doubt, the Alternative Cash Settlement Amount shall be determined by the Calculation Agent in accordance with Term 10.4 above).

- 10.6 If, under the terms of a Hedge Transaction, any Bonds or Loans comprising part of the relevant Deliverable Obligations ("**Original Bonds**" and "**Original Loans**", respectively) may not be received by the Issuer and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or any of its Affiliates may, in accordance with the terms of the Hedge Transaction, receive or otherwise obtain such Original Bonds or such Original Loans or other Bonds or Loans in lieu thereof on or before the date falling three Business Days (in a case where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or 10 Business Days (in a case where Original Loans or other Loans or Bonds in lieu thereof may be received or otherwise obtained after the Extended Physical Settlement Date) after the Extended Physical Settlement Date, the Issuer shall be entitled to Deliver such relevant Deliverable Obligations to a date falling up to three Business Days or 10 Business Days, respectively, after the Extended Physical Settlement Date, or to such earlier date as the Calculation Agent may select in its absolute discretion (the "**Further Extended Physical Settlement Date**"). The Calculation Agent shall notify the Issuer and the Issuing and Paying Agent of such Further Extended Physical Settlement Date. As soon as reasonably practicable after receiving such notice from the Calculation Agent, the Issuer shall give notice or procure that notice is given to the Trustee, the Issuing and Paying Agent and the Noteholders in accordance with Condition 13 (*Notices*). If the Issuer has failed to deliver all, or part of, such relevant Deliverable Obligations by such Further Extended Physical Settlement Date, the provisions of Term 10.6 above shall apply.

- 10.7 Where a Noteholder holds more than one CLN, the CLNs held by such Noteholder and the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of each CLN held by such Noteholder shall be aggregated for the purposes of this Term 10 (*Physical Settlement*). If the nominal amount of the Deliverable Obligations to be Delivered in respect of the relevant CLN(s) to be redeemed pursuant to this Term on any occasion is not equal to an authorised denomination (or integral multiple thereof) of such Deliverable Obligations then the nominal amount of Deliverable Obligations to be Delivered will be rounded down to the nearest authorised denomination or multiple thereof, or, if none, zero. In such circumstances, the Deliverable Obligations that were not capable of being Delivered shall, if and to the extent practicable, be sold by an agent appointed by the Issuer for such purpose and, if they are so sold, each Noteholder shall receive an amount in cash equal to his *pro rata* share of the sale proceeds.

- 10.8 The Delivery of any of the Deliverable Obligations pursuant to the provisions of these Terms shall be made in such commercially reasonable manner as the Calculation Agent shall, in its sole discretion, determine to be appropriate for such Delivery. Any recordation, processing or similar fee reasonably incurred by the Issuer and payable to the agent under a Loan in connection with an assignment (where Deliverable Obligations include Assignable Loans or Consent Required Loans) shall be payable by the Issuer and the relevant Noteholder equally, and any Stamp Tax (as defined in the Credit Derivatives Definitions) payable in connection with the Delivery of any Deliverable Obligations shall be paid by the Noteholders. Any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the relevant Noteholder or the Issuer, as appropriate, determined in accordance with then current market conventions. Delivery and/or transfer of the Deliverable Obligations shall be delayed until all expenses relating to such Delivery or transfer payable by the Noteholders have been paid to the satisfaction of the Issuer.
- 10.9 After delivery of any Deliverable Obligation and for the Intervening Period, none of the Issuer, the Calculation Agent, the Trustee and any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.
11. **Auction Settlement**
- 11.1 In the case of a Cash Settled CLN where "**Auction Settlement**" is the applicable Settlement Method specified in the Final Terms, the Issuer shall redeem the relevant Credit Event Portion of the CLNs on the Auction Cash Settlement Date by payment of the relevant Auction Cash Settlement Amount to the Noteholders, such amount to be apportioned *pro rata* among the Noteholders, rounding the resultant figure downwards to the nearest sub-unit of the relevant Specified Currency.
- 11.2 If the CLNs are partially redeemed, the relevant Note or, if the CLNs are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption.
- 11.3 Without prejudice to the foregoing, but without duplication of settlement, if the Calculation Agent determines:
- (a) except where the Calculation Agent delivers a Notice to Exercise Movement Option to the Noteholders on or prior to the Movement Option Cut-off Date, that with respect to a Credit Event no Applicable Auction is being, or will be, held; or
 - (b) with respect to a Credit Event and any relevant Applicable Request, Applicable Resolution and/or Applicable Auction, that (A) an Auction Cancellation Date has occurred, (B) a No Auction Announcement Date has occurred (and, in circumstances where such No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date, the Calculation Agent has not exercised the Movement Option), (C) ISDA has publicly announced that a relevant Credit Derivatives Determinations Committee has Resolved, following a relevant Credit Event Resolution Request Date, not to determine the matters described in the definitions of Credit Event Resolution Request Date, (D) an Event Determination Date was determined pursuant to sub-paragraph (a) of the definition of Event Determination Date and no relevant Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Event Determination Date (or such longer or lesser period as determined by the Calculation Agent taking into account any hedging transactions entered into by the Issuer in respect of the CLNs), or (E) an Event Determination Date was determined pursuant to sub-paragraph (b)(ii) of the definition of Event Determination Date,

then the Issuer shall, subject to the occurrence of a Credit Event and satisfaction of the Conditions to Settlement, notwithstanding that "**Auction Settlement**" is specified as the Settlement Method in the relevant Final Terms, redeem each Note in accordance with Term 9 (*Cash Settlement*) (if "*Cash Settlement*" is specified in the applicable terms as the Fallback Settlement Method) by payment of the Cash Settlement Amount or with Term 10 (*Physical Settlement*) if "*Physical Settlement*" is specified in the applicable terms as the Fallback Settlement Method.

- 11.4 If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms and the Calculation Agent determines in respect of a Restructuring Credit Event that a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date, the Calculation Agent may elect in its sole and absolute discretion to deliver a Notice to Exercise Movement Option to the Issuer and Issuing and Paying Agent at any time on or prior to the Movement Option Cut-off Date. If a Notice to Exercise Movement Option is so delivered, then provided the related Event Determination Date is not reversed on or prior to the relevant Auction Cash Settlement Date, the Notes shall be redeemed on the Auction Cash Settlement Date at their Auction Cash Settlement Amount, for which purposes the Auction Cash Settlement Date and the Auction Cash Settlement Amount shall be determined by reference to the relevant Parallel Auction identified by the Calculation Agent in the Notice to Exercise Movement Option. If a Notice to Exercise Movement Option is delivered by the Calculation Agent, all references in these Terms to "Applicable Auction", "Applicable Auction Settlement Terms", "Auction Cancellation Date", "Auction Final Price Determination Date" and "Auction Settlement Date" shall be deemed to be references to the "Parallel Auction", "Parallel Auction Settlement Terms", "Parallel Auction Cancellation Date", "Parallel Auction Final Price Determination Date" and "Parallel Auction Settlement Date" and shall be construed accordingly.

12. **Cash or Physical Settlement**

After the delivery of the Election Notice pursuant to Term 4 (*Notices*):

- 12.1 where the Issuer has elected that the CLNs will be Cash Redeemed, such Cash or Physical CLN shall be deemed to be a Cash Settled CLN and redeemed in accordance with Term 9 (*Cash Settlement*) or Term 11 (*Auction Settlement*), as applicable; and
- 12.2 where the Issuer has elected that the CLNs will be Physical Redeemed, such Cash or Physical CLN shall be deemed to be a Physically Settled CLN and redeemed in accordance with Term 10 (*Physical Settlement*).

13. **Discharge of Obligations**

- 13.1 In the case of a Cash Settled CLN where "*Cash Settlement*" is specified as the Settlement Method or "*Cash Settlement*" is specified as the Fallback Settlement Method, payment by the Issuer of the Cash Settlement Amount to the Noteholders shall discharge all obligations of the Issuer to the Noteholders in respect of the relevant Credit Event Portion of the CLNs.
- 13.2 In the case of a Cash Settled CLN where "**Auction Settlement**" is specified as the Settlement Method, payment by the Issuer of the Auction Cash Settlement Amount to the Noteholders shall discharge all obligations of the Issuer to the Noteholders in respect of the relevant Credit Event Portion of the CLNs.
- 13.3 In the case of a Physically Settled CLN, Delivery of the Portfolio and/or payment in full of any Alternative Cash Settlement Amount required to be paid pursuant to these Terms, as the case may be, where appropriate, by the Issuer to the Noteholders pursuant to the provisions of these Terms shall discharge all obligations of the Issuer to the Noteholders in respect of the relevant Credit Event Portion of the CLNs.

14. **Reversals and Adjustments to Event Determination Dates**

- 14.1 Notwithstanding anything to the contrary in these Terms, no Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that the Calculation Agent determines that, prior to the relevant Auction Final Price Determination Date in respect of an Applicable Auction, a related Valuation Date, any relevant Physical Settlement Date (or, if earlier, a Delivery Date), or any other relevant date relating to the redemption of the CLNs, as applicable, an Applicable DC No Credit Event Announcement occurs with respect to the relevant Reference Entity or Obligation thereof.
- 14.2 If, following the occurrence of a Credit Event and satisfaction of the Conditions to Settlement in respect of a Reference Entity, the related Event Determination Date is deemed to have occurred on a date that is earlier than the date originally determined to be the Event Determination Date for the purposes of the CLN as a result of the application of the definition of Event Determination Date and/or any Applicable Request or Applicable Resolution then:
- (a) if the Notes are redeemed pursuant to Term 9 (*Cash Settlement*) or Term 11 (*Auction Settlement*), an amount equal to the relevant EDD Adjustment Amount (if any) shall be deducted to the fullest extent possible from the relevant Cash Settlement Amount or Auction Cash Settlement Amount, as applicable; or
 - (b) if the Notes are redeemed pursuant to Term 10 (*Physical Settlement*), the EDD Adjustment Amount (if any) shall be deemed to be a Delivery.
- 14.3 Without prejudice to Term 11.3, if an Applicable DC No Credit Event Announcement occurs following the determination of an Event Determination Date but prior to the related Auction Final Price Determination Date in respect of an Applicable Auction, a related Valuation Date, any related Physical Settlement Date (or, Delivery Date if earlier), or any other relevant date relating to the redemption of the Notes, as applicable, then the Event Determination Date originally determined for the purposes of the CLNs shall be deemed not to have occurred (an "**Event Determination Date Reversal**"). The occurrence of an Event Determination Date Reversal shall not prejudice the occurrence or determination of any subsequent Event Determination Date(s) in relation to the relevant Reference Entity (if applicable). Notwithstanding Term 5 (*Interest*), if an Event Determination Date Reversal occurs, each Note shall recommence to accrue interest (in accordance with the Conditions and Term 5 (*Interest*) from the Interest Payment Date (the "**Interest Commencement Date**") immediately following the relevant Applicable DC No Credit Event Announcement, and an amount equal to the Additional EDD Interest Amount shall be payable on such Interest Commencement Date. For the avoidance of doubt, in no circumstances shall interest accrue on any Note on or after the Maturity Date or Extended Maturity Date.

15. **Succession Event**

- 15.1 Where the CLNs are Single Reference Entity Cash CLNs, Single Reference Entity Physical CLNs or Single Reference Entity Cash or Physical CLNs:
- (a) Where a Succession Event has occurred in respect of a Reference Entity and more than one Successor has been identified, each Successor will be a Reference Entity (each a "**Successor Reference Entity**") for the purposes of the affected Credit-Linked Notes and, for the avoidance of doubt, such Reference Entity shall no longer be a Reference Entity (unless it is also a successor).
 - (b) If one or more of the Successor Reference Entities have not assumed the Reference Obligation (if any) specified in the relevant Final Terms, the Calculation Agent may select a Substitute Reference Obligation in accordance with the definition of "Substitute Reference Obligation".
 - (c) Where a Credit Event occurs in respect of a Successor Reference Entity, the provisions of Term 2 (*Credit Event Terms*) to Term 13 (*Discharge of Obligations*) (both inclusive)

and Term 16 (*Restructuring Credit Event*) shall be deemed to apply to the principal amount represented by that Successor Reference Entity only (the "**Partial Principal Amount**") and all the provisions shall be construed accordingly.

- (d) The CLNs shall be redeemed *pro rata* in an amount equal to the Partial Principal Amount only. The CLNs in an amount equal to the outstanding principal amount of the CLNs immediately prior to the redemption thereof less the Partial Principal Amount shall remain outstanding (the "**Remaining Amount**") and interest shall accrue on the Remaining Amount as provided for in Term 5 (*Interest*) (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).
- (e) The provisions of these Terms shall apply to any subsequent Credit Event Notices delivered in respect of any of the other Reference Entities that are identified as a result of the Succession Event.

15.2 Where the CLNs are Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs:

- (a) Where a Succession Event has occurred in respect of a Reference Entity and more than one Successor has been identified, each Successor will be a Reference Entity (each a "**Successor Reference Entity**") for the purposes of the affected Credit-Linked Notes and, for the avoidance of doubt, such Reference Entity shall no longer be a Reference Entity (unless it is also a Successor). The Credit-Linked Payer Calculation Amount for each Successor Reference Entity shall be equal to the Credit-Linked Payer Calculation Amount of the original Reference Entity divided by the number of Successor Reference Entities, **provided that** where the Successor Reference Entity is also a Reference Entity, the Credit-Linked Payer Calculation Amount of the Successor Reference Entity determined as aforesaid shall be added to the subsisting Credit-Linked Payer Calculation Amount of such Reference Entity.
- (b) Following the occurrence of a Succession Event, upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities unaffected by a Succession Event, the Credit Event Portion (for the avoidance of doubt, as defined in item (a) of such definition) of the affected Credit-Linked Notes will be redeemed in accordance with the provisions of these Terms relating to Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs.
- (c) Where a Credit Event occurs in respect of a Successor Reference Entity, the provisions of Term 2 (*Credit Event Terms*) to Term 14 (*Reversals and Adjustments to Event Determination Dates*) (both inclusive) and Term 16 (*Restructuring Credit Event*) shall be deemed to apply to the Credit-Linked Payer Calculation Amount of the relevant Successor Reference Entity only (the "**Partial Principal Amount**") and these Terms shall be construed accordingly. Each Note shall thereafter be redeemed in a proportion equal to the relevant proportion which the Partial Principal Amount bears to the aggregate outstanding principal amount of the CLNs as of the Issue Date.
- (d) Following a partial redemption of the CLNs pursuant to sub-paragraph (iii) above, interest shall accrue on the remaining outstanding principal amount of the CLNs as provided for in Term 5 (*Interest*) (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate to reflect such partial redemption).
- (e) The provisions of these Terms shall apply to any subsequent Credit Event Notices delivered in respect of any Reference Entities following the occurrence of a Succession Event. For the avoidance of doubt, the provisions of this sub-paragraph (b) shall apply to each Succession Event.

- 15.3 Where the CLNs are Nth-to-Default Cash CLNs, Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs:
- (a) Where a Succession Event has occurred in respect of a Reference Entity (other than a Reference Entity in respect of which a Credit Event has occurred) (such Reference Entity, a "**Succession Event Reference Entity**" and the Reference Entities unaffected by such Succession Event, the "**Non-Succession Event Reference Entities**") and more than one Successor has been identified, the affected Credit-Linked Notes shall include a Successor (selected by the Calculation Agent in its sole and absolute discretion) and each and every one of the Non-Succession Event Reference Entities. Where there is one or more Successor or Successors, and such Successor or Successors is also a Non-Succession Event Reference Entity, then each such Non-Succession Event Reference Entity shall continue to be Reference Entities and the Calculation Agent shall select an entity to replace the relevant Succession Event Reference Entity, which replacement entity shall be a Successor which is not also a Non-Succession Reference Entity or another entity which has a rating (by any of Standard and Poor's, Moody or Fitch) equal to or better than the Succession Event Reference Entity and which falls within the same Transaction Type as the Succession Event Reference Entity. The Credit-Linked Payer Calculation Amount for the entity selected by the Calculation Agent as aforesaid shall be equal to the Credit-Linked Payer Calculation Amount of the Succession Event Reference Entity.
 - (b) Following the occurrence of a Succession Event, satisfaction of the Conditions to Settlement with respect to the relevant Reference Entity will cause the CLNs to be redeemed in accordance with the provisions of these Terms relating to Nth-to-Default Cash CLNs, Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs, as the case may be (including, but not limited to, Term 4.5). For the avoidance of doubt, the CLNs shall be redeemed in an amount equal to the Credit-Linked Payer Calculation Amount for the Reference Entity in respect of which a Credit Event occurs.
 - (c) The provisions of these Terms shall apply to any subsequent Credit Event Notices delivered in respect of any Reference Entities following the occurrence of a Succession Event. For the avoidance of doubt, the provisions of this sub-paragraph (c) shall apply to each Succession Event.
- 15.4 Where the CLNs are Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs, notwithstanding Terms 15.1 to 15.3 above, if, at any time, upon the occurrence of a Succession Event or otherwise, two or more Reference Entities are the same entity as determined by the Calculation Agent in its absolute discretion, they shall thereafter be deemed only to be one such Reference Entity and the Credit-Linked Payer Calculation Amount in respect of such Successor Reference Entity shall be equal to the sum of the Credit-Linked Payer Calculation Amounts in respect of each of the original Reference Entities which were subject to the Succession Event.
- 15.5 Where the CLNs are Nth-to-Default Cash CLNs, Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs, or Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs, notwithstanding Terms 15.1 to 15.3 above, if Substitution is specified as being applicable in the Final Terms, the "Additional Provisions where Substitution is Applicable" contained in the First-to-Default Template, as determined by the Calculation Agent in its absolute discretion, shall be deemed to apply *mutatis mutandis* in connection with any Succession Event referred to in Terms 15.2 or 15.3 above.
- 15.6 In the case of each of Terms 15.1 to 15.5 above, any determinations and calculations and adjustment to the Final Terms relating to, connected with or as a result of a Succession Event or otherwise shall be made by the Calculation Agent in its sole discretion and in good faith and, in the absence of manifest error, shall be conclusive and binding on all parties. The Final Terms may be amended and restated at such time to reflect the effect of a Succession Event or otherwise without the consent of the Noteholders and the Noteholders are deemed to agree to this provision by purchasing the CLNs.

16. Restructuring Credit Event

- 16.1 If Restructuring is specified in the Final Terms as being an applicable Credit Event, (i) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms and (ii) a Restructuring Credit Event occurs, then unless otherwise specified in the Final Terms, the Calculation Agent may deliver multiple Credit Event Notices with respect to such Credit Event (a "**Restructuring Credit Event**"). Accordingly, notwithstanding anything to the contrary in Terms 2 (*Credit Event Terms*) to 15 (*Succession Event*) above (both inclusive), where a Restructuring Credit Event has occurred and the Calculation Agent has delivered a Credit Event Notice for an amount that is less than the aggregate outstanding principal amount of the CLNs or the Credit-Linked Payer Calculation Amount immediately prior to the delivery of such Credit Event Notice (the "**Exercise Amount**"), the provisions of Terms 2 (*Credit Event Terms*) to 15 (*Succession Event*) (both inclusive) shall be deemed to apply to a principal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly.
- 16.2 The CLNs shall be redeemed *pro rata* in an amount calculated by reference to the Exercise Amount only. The CLNs in an amount equal to the aggregate outstanding principal amount of the CLNs immediately prior to the redemption thereof less an amount calculated by reference to the Exercise Amount shall remain outstanding (the "**Outstanding Amount**") and interest shall accrue on the Outstanding Amount as provided for in Term 5 (*Interest*) (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).

The provisions of these Terms shall apply to any subsequent Credit Event Notices delivered in respect of the Reference Entity that was the subject of the Credit Event Notice referred to above on the basis that:

- (a) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the then outstanding Credit-Linked Payer Calculation Amount (and not a portion thereof); and
- (b) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring Credit Event must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the Credit-Linked Payer Calculation Amount is denominated or any integral multiple thereof or the entire then outstanding Credit-Linked Payer Calculation Amount.

In the case of an Nth-to-Default Cash CLN, an Nth-to-Default Physical CLN or an Nth-to-Default Cash or Physical CLN, once the Conditions to Settlement have been satisfied in respect of the relevant Reference Entity where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity referenced by such CLN. In addition, this will not prevent the delivery of Credit Event Notices in relation to any other Reference Entities in respect of which a Succession Event has occurred.

- (c) In the case of a Physically Settled CLN, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified in the Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement or any NOPS Amendment Notice and may be included in the Portfolio only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

In the case of a Cash Settled CLN, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified in the Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, an obligation may be a Valuation Obligation and may be included in the Valuation Obligations Portfolio only if (i) it is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date. Any references to Physical Settlement Date in the related definitions shall be deemed to be references to Final Price Calculation Date.

- (d) In the case of a Physically Settled CLN, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement or any NOPS Amendment Notice and may be included in the Portfolio only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

In the event that the requisite consent in relation to a Deliverable Obligation which is a Conditionally Transferable Obligation is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason) or is not received by the Physical Settlement Date, the Issuer shall promptly notify the relevant Noteholders of such refusal (or deemed refusal) and:

- (i) each such Noteholder may designate a third party (which may or may not be an Affiliate of such Noteholder) to take Delivery of the Deliverable Obligation on its behalf; and
- (ii) if a Noteholder does not designate a third party that takes Delivery on or prior to the date which is three Business Days after the Physical Settlement Date, then the Issuer will redeem the CLNs which have not been Delivered by payment of the relevant Alternative Cash Settlement Amount to such Noteholder.

In the case of a Cash Settled CLN, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, an obligation may be a Valuation Obligation and may be included in the Valuation Obligations Portfolio only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

- (e) If the provisions of this Term 16 (*Restructuring Credit Event*) apply in respect of the CLNs, on redemption of part of each such CLNS, the relevant CLN or, if the CLNs are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

17. Amendments of Terms in accordance with Market Convention

Subject to Condition 14(b) (*Modification and Waiver*), the Calculation Agent may from time to time amend any provision of these Terms to incorporate and/or reflect further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees which the Calculation Agent determines in a commercially reasonable manner are necessary or desirable to reflect or govern market practice for credit derivative transactions. Any amendment made in accordance with this Term 17 (*Amendments of Terms in accordance with Market Convention*) shall be notified to Noteholders in accordance with Condition 13 (*Notices*).

APPENDIX 1 - PROGRAMME TRANSACTION TYPE STANDARD TERMS**PART A****AFRICA CORPORATE CONVENTION TERMS**

Calculation Agent City:	London
Business Days:	USD: London & New York EUR: London & TARGET Settlement Day
All Guarantees:	Applicable
Credit Event:	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Restructuring Multiple Holder Obligation: Applicable for Loans and Not Applicable for Bonds.
Obligation(s):	Obligation Category: Bond or Loan Obligation Characteristics: Not Subordinated
Not Domestic Currency	
Not Domestic Law	
Not Domestic Issuance	
Deliverable Obligations:	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency Not Domestic Issuance Not Contingent Transferable Not Bearer Assignable Loan Consent Required Loan Not Domestic Law

PART B**AFRICA SOVEREIGN CONVENTION TERMS**

Calculation Agent City:	London
Business Days:	USD: London & New York EUR: London & TARGET Settlement Day
All Guarantees:	Applicable
Credit Event:	Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Restructuring Multiple Holder Obligation: Not Applicable
Obligation(s):	Obligation Category: Bond Obligation Characteristics: Not Subordinated
Not Domestic Currency	
Not Domestic Law	
Not Domestic Issuance	
Deliverable Obligations:	Deliverable Obligation Category: Bond Deliverable Obligation Characteristics: Not Subordinated Specified Currency Not Domestic Law Not Contingent Not Domestic Issuance Transferable Not Bearer

PRO FORMA TERMS FOR CREDIT-LINKED NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17 / 19].⁷]

[Date]

Investec Bank plc
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the [•]
£2,000,000,000 Impala Structured Notes Programme

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]⁸

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]⁹

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances (including without limitation their own

⁷ To be included in respect of all issues which are to be admitted to listing. Delete 17 or 19 as appropriate. Listing Rule 19 applies to securitised derivatives. Listing Rule 17 applies to debt securities, asset-backed securities and convertible securities.

⁸ Include this legend where a non-exempt offer of Notes is anticipated.

⁹ Include this legend where a non-exempt offer of Notes is anticipated.

financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "Risk Factors" in the Base Prospectus referred to below.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [•] 2012 [and the supplemental Prospectus[es] dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as supplemented]. The Base Prospectus [and the supplements thereto] are available for viewing at and copies may be obtained during normal working hours from Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB [/ Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE]].

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing Final Terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | |
|----|---|--|
| 1. | Issuer: | Investec Bank plc |
| 2. | (a) Series Number: | [•] |
| | (b) Tranche Number: | [•] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> | |
| 3. | Specified Currency or Currencies: | [•] |
| 4. | Aggregate Nominal Amount: | |
| | (a) Series: | [•] |
| | (b) Tranche: | [•] |
| 5. | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6. | (a) Specified Denominations: | [•] |
| | (b) Calculation Amount: | [•] |
| | <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.]</i> | |
| 7. | (a) Issue Date: | [•] |
| | (b) Interest Commencement Date: | [Specify/Issue Date/Not applicable] |

8. Maturity Date: *[Specify date for Floating Rate Notes only - Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: *[[•] per cent. Fixed Rate]*
[[LIBOR/EURIBOR] +/-[•] per cent. Floating Rate]
[Zero Coupon]
[Dual Currency]
[Credit-Linked]
[Specify other]
 (further particulars specified below)
[N.B. If the Interest Basis is linked to an underlying covered in a different Part of this Base Prospectus, include specific interest provisions from the relevant Part here. For e.g. if the Interest Basis is FX-Linked, include "FX-Linked Notes Interest Provisions" below]
10. Redemption/Payment Basis: *[Redemption at par]*
[Dual Currency]
[Instalment]
[Partly Paid]
[Credit-Linked]
[Specify other]
[N.B. If the Final Redemption Amount is not 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.]
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Call Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
13. Put Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
14. (a) Status of the Notes: Senior
 (b) Security Status: *[Unsecured Notes/Secured Notes. The Issuer has designated the Notes as covered bonds].*

- (c) [Date [Board] approval for issuance of Notes obtained: [•]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi - annually/quarterly/other specify] in arrear]

[If payable other than annually, consider amending Condition 4(a) (Interest on Fixed Rate Notes)]

[Condition 4(a) (Interest on Fixed Rate Notes) shall not apply. The interest payable in respect of each Note shall be calculated as follows:

- (v) With respect to any Fixed Interest Period (defined below) for which the Bonus Condition (as defined below) is met, the amount of interest ("I") payable in relation to a Note shall be calculated as follows:

$$I = SD \times (\text{Base Rate} + \text{Bonus Rate})$$

- (vi) With respect to any Fixed Interest Period for which the Bonus Condition is **not** met, the amount of interest payable in relation to a Note shall be calculated as follows:

$$I = SD \times \text{Base Rate}$$

where:

"**Base Rate**" means [•] per cent.;

"**Bonus Averaging Date**" means, in relation to each Fixed Interest Period, the relevant Bonus Averaging End Date and each of the [specify number] of [[days]/[Scheduled Trading Days]/[Business Days]/[Exchange Business Days]/[Commodity Business Days]/[specify other]] preceding such Bonus Averaging End Date;

"**Bonus Averaging End Date**" means, in relation to each Fixed Interest Period, the date specified in the column headed "Bonus Averaging End Date" in the table below, provided that if such date is not a [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify]], the [[immediately

preceding]/[specify]] [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify other]] shall be the Bonus Averaging End Date;

the "**Bonus Condition**" is deemed to be met in relation to a Fixed Interest Period if the Bonus Level in relation to such Fixed Interest Period is [above] the Initial Level;

"**Bonus Level**" means, with respect to each Fixed Interest Period, the [[daily arithmetic average]/[specify] of the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/[Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on each Bonus Averaging Date for such Fixed Interest Period;

"**Bonus Rate**" means [•] per cent.;

"**Fixed Interest Period**" means each of the periods specified in the column headed "Fixed Interest Period" in the table below;

"**Initial Level**" means the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/[Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on the [[Issue Date]/[specify]];and

"**SD**" means Specified Denomination.]

<i>Fixed Interest Period</i>		<i>Interest Payment Date</i>	<i>Bonus Averaging End Date</i>
<i>from but excluding</i>	<i>to and including</i>		
[•]	[•]	[•]	[•]

- (b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]/[Each date specified in the column headed "*Interest Payment Date*" in the table in paragraph [16](a) above]/[specify other]

[N.B. This will need to be amended in the case of long or short coupons]
- (c) Fixed Coupon Amount(s): [[•] per Calculation Amount/ Not applicable]
- (d) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date following [in/on] [•]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA/ISDA) or [specify other]]
- (f) Determination Date(s): [•] [in each year]/ [Each Interest Payment Date in the table in paragraph [16](a) above]/[specify other]

[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.

N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.

N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

17. **Floating Rate Note Provisions** [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Specified Period(s)/Specified Interest Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [•]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]
- (g) Screen Rate Determination: [•]
- Reference Rate: [•]
[Either LIBOR, EURIBOR or other, although additional information is required if "other" – including fallback provisions in Clause [8.2] of the Agency Agreement]
 - Interest Determination Date(s): [•]
[Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 system is open prior to the start of each Interest Period if EURIBOR or euro LIBOR]
 - Relevant Screen Page: [•]

[In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.]

- (h) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (i) Margin(s): [+/-] [•] per cent. per annum
- (j) Minimum Rate of Interest: [•] per cent. per annum
- (k) Maximum Rate of Interest: [•] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ICMA/ISDA)]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360]
 [30E/360]
 [30E/360 (ISDA)]
 [Specify other]
- (See Condition 4(b) (Interest on Floating Rate Notes) for alternatives)*
- (m) Determination Date: [•] [in each year]
- NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA).*
- (n) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]

18. **Dual Currency Note Provisions**

[Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [Give name and address]

- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[Need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: [•]

19. **Zero Coupon Note Provisions**

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Amortisation: [•] per cent. per annum
- (b) [Reference Price: [•]]
- (c) Any other formula/basis of determining amount payable: *[Consider whether it is necessary to specify a Day Count Fraction]*
- (d) Early Redemption Amount: [Amortised Face Amount/Fair Market Value]

PROVISIONS RELATING TO REDEMPTION

20. Final Redemption Amount of each Note: [•] per Calculation Amount

21. Early Redemption Amount:

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/Final Redemption Amount/ Fair Market Value]

(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)

22. Issuer Call Option

[Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]

[N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.]

- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market Value/specify other]
- (d) Rounding: *[Details of rounding]*

- (e) If redeemable in part:
- (i) Minimum Redemption Amount: [•] per Calculation Amount
- (ii) Maximum Redemption Amount: [•] per Calculation Amount
23. Noteholder Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market Value/specify other]
- (d) Rounding: [Details of rounding]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: [Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]*
 [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]*
 [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]*
 [Registered Notes: Registered Global Note ([•] nominal amount)]
 [Uncertificated Registered Notes]
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not applicable/give details]
- [Note that this item relates to the place of payment and not Interest Period end dates to which item 16(d) relates]*
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

* If a Global Note is exchangeable for Definitive Notes, the Notes shall be tradable only in principal amounts of at least the Specified Denomination specified in paragraph 6 and multiples thereof.

27. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not applicable/give details]
- (b) Instalment Date(s): [Not applicable/give details]
28. Details relating to Partly Paid Notes: [Not Applicable/give details]
 amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:
29. Other final terms: [Not applicable/give details]
- [When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

DISTRIBUTION

30. (a) If syndicated, names [and addresses] of Managers: [Not applicable/give names [and addresses]*]
- [If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.]*
- (b) Date of [Subscription] Agreement: [•]
31. If non-syndicated, name [and address]* of relevant Dealer: [Not applicable/give name [and address]*]
- [Where the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Dealer.]*
32. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
33. U.S. Selling Restrictions: [Reg. S Compliance Category: [2];
 TEFRA D/TEFRA C/TEFRA not applicable]
34. Additional selling restrictions: [Not applicable/give details]

TAXATION

35. Taxation: Condition 7A (Taxation - No Gross up) [applies/does not apply] [(Condition 7A will apply for all issues of Notes unless specified otherwise)]

[Condition 7B (*Taxation - Gross Up*) [applies/does not apply]]

SECURITY

36. Security Provisions:

[Applicable/Not applicable]

[Security Provisions will be applicable if the Notes are Secured Notes. If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Whether Collateral Pool secures this Series of Notes only or this Series and other Series: [This Series only/This Series and other Series].
- (b) Date of Supplemental Trust Deed relating to the Collateral Pool securing the Notes and Series Number of first Series of Secured Notes secured thereby: Supplemental Trust Deed dated [•] securing [this Series only/Series Number [•] among others]

(c)	Eligible Collateral:	Valuation Percentage	Maximum Percentage
(i)	Cash in an Eligible Currency	[•]%	[•]%
(ii)	Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of not more than one year	[•]%	[•]%
(iii)	Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than one year but not more than 10 years	[•]%	[•]%
(iv)	Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than 10 years	[•]%	[•]%
(v)	Negotiable senior debt obligations issued or guaranteed by any of the following entities:	[•]%	[•]%

Name of Entity	Valuation Percentage	Maximum Percentage
[•]	[•]%	[•]%
[•]	[•]%	[•]%
[•]	[•]%	[•]%
[•]	[•]%	[•]%

[•] [•]% [•]%
 (vi) Negotiable subordinated debt obligations issued [or guaranteed] by any of the following entities: [•]% [•]%

	Name of Entity [and description of subordinated debt, where appropriate]	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(d)	Valuation Dates:	[•]	
(e)	Eligible Currency(ies):	[•]	
(f)	Base Currency:	[•] [NB: Base Currency should be same as Specified Denomination of the Notes]	
(g)	Minimum Transfer Amount:	[•]	
(h)	Independent Amount:	[•]	

37. Collateral Credit-Linkage

(a) Whether Collateral Credit-Linkage applies to this Series of Secured Notes: [Yes/No]
[If no, delete the remaining sub-paragraphs of this paragraph.]

(b) If so, whether Simplified Credit-Linkages or ISDA Credit-Linkage applies: [Simplified Credit-Linkage/ISDA Credit-Linkage]

[The following provisions only apply where Simplified Credit-Linkage is applicable. If not, delete this sub-paragraph:]

(c) Collateral Reference Entities:

Name of Collateral Reference Entity	Collateral Reference Entity Weighting (%)
[•]	[•]
[•]	[•]
[•]	[•]

(d) Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Recovery Rate: [General Recovery Rate]/[Specific Recovery Rate] shall apply.

[The following provisions only apply where ISDA Credit-Linkage is applicable. If not, delete this sub-paragraph:]

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	[Transaction type]/[Applicable Credit Events]	Collateral Reference Entity Weighting (%)
[]:	[specify [e.g. North American Corporate] or [[Bankruptcy], [Failure to Pay], [Obligation Acceleration], [Obligation Default], [Repudiation/Moratorium], [Restructuring]]	[]
[]:	[]	[]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Credit Event Redemption Amount: For the purposes of the Credit Event Redemption Amount (but only if Final Price is applicable):
Valuation Method: [Market/Highest/specify other]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange and the listing on the Official List of the Financial Services Authority of Notes described herein pursuant to the £2,000,000,000 Impala Structured Notes Programme of Investec Bank plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. *[[specify the third party information]* has been extracted from *[specify source of information]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source of information]*, no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: By:
Duly authorised *Duly authorised*

PART B – OTHER INFORMATION

1. **LISTING**

- (i) Listing: [London]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market]] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [].] [Not applicable.]
- [Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.]*

2. **RATINGS**

- Ratings: [The long-term senior debt of the Issuer has been rated:]/[The Notes to be issued have been rated:
- [S & P*: []]
- [Moody's*: []]
- [Fitch*: []]
- [[Other]*: []]
- [*The exact legal name of the rating agency entity providing the rating should be specified-for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.]*
- [The Notes to be issued have not been rated.]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- [The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]*
- [Insert legal name(s) of particular credit rating agency/agencies] is/are established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]*
- [Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is endorsed by [insert*

legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]/

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but is/are certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]/

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA and is/are not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: []
(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: []
[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

[(iii) Estimated total expenses: []
[Include breakdown of expenses]
[If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: []
 Calculated as *[include details of method of calculation in summary form]* on the Issue Date.
 As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

8. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

9. **OPERATIONAL INFORMATION**

- (i) ISIN Code: []
- (ii) [SEDOL Code:] []
- (iii) Common Code: []
- (iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): []
- (v) Delivery: []
- (vi) Settlement procedures: []
- (vii) Additional Paying Agent(s) (if any): []
- (viii) Common Depositary: []
- (ix) Calculation Agent: []
 - is Calculation Agent to make calculations? []
 - if not, identify calculation agent: []
- (x) Other relevant General Terms and Conditions: []
- (xi) Other Final Terms: []

10. **(TERMS AND CONDITIONS OF THE OFFER**

- (i) Offer Price: []
- (ii) Offer Period: []
- (iii) Conditions to which the offer is subject: []

- (iv) Description of the application process: []
- (v) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: []
- (vi) Details of the minimum and/or maximum amount of application: []
- (vii) Details of the method and time limits for paying up and delivering the Notes: []
- (viii) Manner in and date on which results of the offer are to be made public: []
- (ix) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: []
- (x) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: []
- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: []
- (xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: []
- (xiii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: []

ANNEX A

FURTHER PROVISIONS FOR THE FINAL TERMS RELATING TO CREDIT-LINKED NOTES

The following provisions form part of the Final Terms. The Notes are Credit-Linked Notes. The Standard Terms for Credit-Linked Notes shall apply to the Notes as further modified by the following provisions and shall together modify and supplement the Base Conditions.

General

- (a) Type of Credit-Linked Notes: [Single Reference Entity Cash CLN]
[Single Reference Entity Physical CLN]
[Single Reference Entity Cash or Physical CLN]

[Nth-to-Default Cash CLN]
[Nth-to-Default Physical CLN]
[Nth-to-Default Cash or Physical CLN]

[Basket Cash CLN]
[Basket Physical CLN]

[Basket Cash or Physical CLN]

[Other]
- (b) Whether Transaction Type Standard Terms applicable: [Yes/No] [*N.B. This can apply for Cash Settled CLNs*]
- (c) Reference Entity(ies) and Reference Obligation(s): [*insert details of the underlying Reference Entities and Reference Obligations*]
- (i) Transaction Type(s) [*insert details*] [Not Applicable] [*N.B. Specify Transaction Type(s) where the Transaction Type Standard Terms apply*]
- (d) Whether Substitution of Reference Entity(ies) is applicable [Yes/No]
- (e) Whether substitution of the Reference Obligation(s) is applicable: [Yes/No]
- (f) All Guarantees: [Transaction Type Standard Terms apply] or [Applicable/Not Applicable]
- (g) Reference Price: [100 per cent]
- (h) Credit-Linked Payer Calculation Amount: [*insert details*]
- (i) Scheduled Termination Date: [*insert details*]
- (j) (i) Credit Events: [Transaction Type Standard Terms apply]
[*Where the Standard Terms apply, specify whether "Restructuring" is applicable in the case of a North American Corporate Transaction Type or Standard North American Corporate Transaction Type*]
or
[Bankruptcy]
[Failure to Pay]
[Grace Period Extension Applicable]

- [Grace Period: *insert details*]
 [Payment Requirement: *insert details*]
 [Obligation Acceleration]
 [Obligation Default]
 [Repudiation/Moratorium]
 [Restructuring]
 [Restructuring Maturity Limitation and Fully Transferable
 Obligation: [Applicable]/[Not Applicable]]
 [Modified Restructuring Maturity Limitation and
 Conditionally Transferable Obligation: [Applicable/Not
 Applicable]]
 [Multiple Holder Obligation: [Applicable]/[Not Applicable]]
 [Default Requirement: *insert details*]
- (ii) Additional Credit Events: [None/*insert details*]
- (k) Obligations:
- Obligation Category: [Transaction Type Standard Terms apply]
 or
 [Payment]
 [Borrowed Money]
 [Reference Obligations Only]
 [Bond]
 [Loan]
 [Bond or Loan]
- Obligation Characteristics: [Transaction Type Standard Terms apply]
 or
 [Not Subordinated]
 [CLN Specified Currency]
 [Not Sovereign Lender]
 [Not Domestic Currency]
 [Domestic Currency means: []]
 [Not Domestic Law]
 [Listed]
 [Not Domestic Issuance]
- Excluded Obligations: *insert details*
- (l) Conditions to Settlement: Credit Event Notice
 [Notice of Publicly Available Information]
 [Public Sources: *insert details*]
 [Notice of Physical Settlement]
 [Other Transaction Type Standard Terms apply (if any)]
- (m) Settlement Currency: *insert details*
- (n) Settlement Method: [Cash Settlement] [Physical Settlement] [Auction Settlement]
- (o) Fallback Settlement Method: [Cash Settlement] [Physical Settlement] [Not Applicable]
- (p) Credit Derivatives Determinations Committee Extension: [Applicable]/[Not Applicable]

Additional Terms relating to Auction Settlement

- (a) Auction Cash Settlement Amount: [As defined in Term 17 (*Amendments of Terms in accordance with Market Convention*) of the Standard Terms for Credit Linked Notes]/[*Other (specify)*]
- (b) Auction Cash Settlement Date: [As defined in Term 17 (*Amendments of Terms in accordance with Market Convention*) of the Standard Terms for Credit Linked Notes]/[*Other (specify)*]

Terms relating to Cash Settlement

- (a) Valuation Obligations: [Applicable]/[Not Applicable]
- [Applies only to a Cash Settlement. Where Physical Settlement is the Settlement Method or Fallback Settlement Method, specify Not Applicable and delete the remaining sub-paragraphs]*
- Valuation Obligation Category: [Transaction Type Standard Terms apply] or [Payment]
[Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]
[Bond or Loan]
- Valuation Obligation Characteristics: [Transaction Type Standard Terms apply] or [Not Subordinated]
[CLN Specified Currency]
[Not Sovereign Lender]
[Not Domestic Currency]
[Not Domestic Law]
[Listed]
[Not Contingent]
[Not Domestic Issuance]
[Assignable Loan]
[Consent Required Loan]
[Direct Loan Participation]
[Transferable]
[Maximum Maturity: [] years]
[Accelerated or Matured]
[Not Bearer]
- Excluded Valuation Obligations: [*insert details*]
- Accrued Interest: [Not Applicable] [Include Accrued Interest] [Exclude Accrued Interest]
- Valuation Time: [Not Applicable] [*insert details*]
- (b) Quotation Amount: [Not Applicable] [*insert details*]
- (c) Minimum Quotation Amount: [Not Applicable] [*insert details*]
- (d) CLN Dealer(s): [Not Applicable] [*insert details*]

- (e) CLN Specified Currency: [Not Applicable] [Standard Specified Currencies/ *insert details*]
- (f) Cash Settlement Date: [Not Applicable] [*insert details*]
- (g) (i) Cash Settlement Amount: [Not Applicable] [*insert details*]
- (ii) Cash Settlement of Loans: [Not Applicable] [If one or more Loans are included in the Portfolio of Deliverable Obligations, then the Issuer shall redeem a corresponding portion of the Notes by making a payment to the Noteholders of an amount equal to the Loan Settlement Amount to be apportioned *pro rata* amongst the Noteholders on the Settlement Date.
- "**Loan Settlement Amount**" means the aggregate cash amount representing the portion of the Portfolio represented by Loans, calculated using the relevant Final Price for each Loan multiplied by the relevant nominal amount of each Loan in the Portfolio.]
- (h) Quotations: [Not Applicable] [Include Accrued Interest] [Exclude Accrued Interest]

Additional Terms relating to Physical Settlement

- (a) (i) Physical Settlement Date: [Not Applicable] [*insert details*]
- (ii) Physical Settlement Period: [Not Applicable] [Transaction Type Standard Terms apply] or [*insert details*] Business Days.
- (iii) Asset Transfer Notice Date: [Not Applicable] [*insert details*] Business Days after the Notice of Physical Settlement has been sent by the Issuer to Note holders pursuant to Term 3 (*Final Redemption and Maturity Date*).
- (b) Deliverable Obligations:
- Deliverable Obligation Category: [Not Applicable] [Transaction Type Standard Terms apply] or [Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan] [*Specify*]
- Deliverable Obligation Characteristics: [Not Applicable] [Transaction Type Standard Terms apply] or [Not Subordinated] [CLN Specified Currency] [Not Sovereign Lender] [Not Domestic Currency] [Not Domestic Law] [Listed] [Not Contingent] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation]

[Transferable]
 [Maximum Maturity: [] years]
 [Accelerated or Matured]
 [Not Bearer]
 [Specify]

Excluded Deliverable Obligations: [Not Applicable] *[insert details]*

(c) Accrued Interest: [Not Applicable] [Include Accrued Interest] [Exclude Accrued Interest]

(d) Alternative Cash Settlement: [Not Applicable] [Standard Alternative Cash Settlement Specifications apply/*insert details*]

Escrow: [Transaction Type Standard Terms apply] or [Applicable]/[Not Applicable]

Amendments to interest provisions on the Notes

(a) Cessation of interest: [Not Applicable]

[Interest ceases to accrue from the Interest Payment Date immediately preceding the Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date)]

[Interest ceases to accrue from (but excluding) the Event Determination Date]

[Interest ceases to accrue from the Interest Payment Date immediately preceding the relevant Cash Settlement Date, Physical Settlement Date or Delivery Date, as applicable (or, in the case of the first Interest Period, the Interest Commencement Date)]

Further provisions/amendments

(a) Additional provisions/amendments to the Standard Terms for Credit-Linked Notes: [Not Applicable] *[insert all relevant details]*

PART E - EQUITY-LINKED NOTES/INDEX-LINKED NOTES

General Description

Under the Programme, the Issuer may from time to time issue "**Equity-Linked Notes**" and "**Index-Linked Notes**", the Equity-Linked Notes being Notes in relation to which the interest payable and/or redemption amount payable at maturity is determined by reference to a single share or a basket of shares or the performance thereof over a defined period, and Index-Linked Notes being Notes in relation to which the interest payable and/or redemption amount payable at maturity is determined by reference to an index or a basket of indices, or the performance thereof over a defined period, as may be specified in the applicable Final Terms of each Series of Notes.

Standard Terms for Equity-Linked Notes

The Equity-Linked Notes may be designated as being:

- (i) Equity-Linked Notes linked to a single share ("**Single Share Linked Notes**"), in which case the standard terms set out in "*Section I: Terms for Single Share Linked Notes*" below will apply; or
- (ii) Equity-Linked Notes linked to a basket of shares ("**Basket Share Linked Notes**"), in which case the standard terms set out in "*Section II: Terms for Basket Share Linked Notes*" below will apply,

(in each case, being the "**Terms**" in relation to the Equity-Linked Notes).

Standard Terms for Index-Linked Notes

The Index-Linked Notes may be designated as being:

- (i) Index-Linked Notes linked to a single Index ("**Single Index Linked Notes**"), in which case the standard terms set out in "*Section III: Terms for Single Index Linked Notes*" below will apply; or
- (ii) Index-Linked Notes linked to a basket of indices ("**Basket Index Linked Notes**"), in which case the standard terms set out in "*Section IV: Terms for Basket of Indices*" below will apply,

(in each case, being the "**Terms**" in relation to the Index-Linked Notes).

This Part provides information in relation to such Equity-Linked Notes and Index-Linked Notes. The Terms for the Equity-Linked Notes/Index-Linked Notes, the pro-forma Final Terms and information in relation to certain types of Equity-Linked Notes/Index-Linked Notes that may be issued are set out below. This Part should be read together with Part A of this Base Prospectus.

Further Information relating to certain types of Equity-Linked Notes/Index-Linked Notes

Equity-Linked Notes issued under the Programme may have a redemption amount which is linked to a single share or a basket of shares in accordance with the provisions set out below. Index-Linked Notes issued under the Programme may have a redemption amount which is linked to an index or a basket of indices in accordance with the provisions set out below.

In addition, Notes may be Zero Coupon Notes, in which case they will bear no interest, or they may, among other things, be Fixed Rate Notes or Floating Rate Notes, in which case they will bear interest at a fixed rate or floating rate, as applicable, or may bear interest in an amount which is linked to shares or a basket of shares, an index or a basket of indices in accordance with the provisions set out below.

The terms and conditions of Equity-Linked Notes/Index-Linked Notes may include one or any of the provisions set out below (or any combination thereof), as specified in the applicable Final Terms.

1. **Capital Less Down and In Barrier Plus Callable/Kickout Upside Equity-Linked Notes/Index-Linked Notes**

A. ***Further Information relating to Capital Less Down and In Barrier Plus Callable/Kickout Upside Equity-Linked Notes/Index-Linked Notes***

The provisions in this section 1(A) and (B) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single Index, references to "Value" shall be construed as references to "Index Level" in respect of Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of Basket of Indices, references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.

Capital Less Down and In Barrier Plus Callable/Kickout Upside Equity-Linked Notes/Index-Linked Notes are Equity-Linked Notes/Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Less Down and In Barrier Plus Callable/Kickout Upside Equity-Linked Notes/Index-Linked Notes, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying Share or a Basket of Shares, or an underlying Index or Basket of Indices as specified in the applicable Final Terms.

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Price of the Share, or Value of the Basket, as applicable, as of the applicable Valuation Time satisfies one of the following conditions (the applicable condition relevant to the Automatic Early Redemption Valuation Date being specified in the applicable Final Terms):

- (a) Price of the Share or Value of the Basket is greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to that Automatic Early Redemption Valuation Date; or
- (b) Price of the Share or Value of the Basket falls within an Automatic Early Redemption Range specific to that Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

(each, an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

If such an Automatic Early Redemption Event occurs, and the investors receive the relevant Automatic Early Redemption Amount specified in the applicable Final Terms, the amount so received could be less than the amount that the investors would have received on maturity if the Notes had not redeemed early. If the Price in case of a Share or the Value of the Basket is not greater than or equal to the specified Automatic Early Redemption Price or within the Automatic

Early Redemption Range, as applicable, on the relevant Automatic Early Redemption Valuation Date, the Notes will not be redeemed early pursuant to such provisions and Noteholders will forego such Automatic Early Redemption Amount, which may have been greater than the Final Redemption Amount that the investors may ultimately receive on the Maturity Date.

The payment at the Maturity Date in relation to the Notes depends upon the performance of the underlying Share or Basket. The Final Terms of the Notes will set out the alternatives for the Final Redemption Amount of the Notes. The alternative which is applicable depends upon whether the Final Price (as defined below), determined on the relevant Valuation Date(s) is greater than (or, if specified in Final Terms, greater than or equal to) a barrier (the "**Barrier Level**") specified in the Final Terms (the "**Barrier Condition**").

Investors in the Notes will receive at least a return of their initial investment if either of the following conditions are satisfied:

- (a) the Barrier Condition is satisfied; or
- (b) the Barrier Condition is not satisfied, but the Final Price, is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Price (as defined below).

The two alternative Final Redemption Amounts that may be payable at the Maturity Date if either of the above two conditions are satisfied will be one of the following:

- (a) an amount linked to the Final Price; or
- (b) a fixed percentage return (a "**Digital Return**") for each Note.

If the Barrier Condition is not satisfied, and the Final Price, is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Price, as applicable, the investors may lose some or all of their investment.

In addition, if the Final Redemption Amount is linked to the Final Price, the Final Redemption Amount may have any of the following features:

- (a) it, or any of the components of the performance, may be subject to a cap
The Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.
- (b) the return may be subject to a leverage factor (the "**Gearing**" in case of a positive return or "**Barrier Gearing**" in case of a negative return).

The Final Price may be determined on the basis of prices available on the Valuation Date or the average of prices relating to one or more Observation Dates or during an Observation Period.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.

Further, the Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

B. ***Formulae for determination of Redemption Amounts and other optional provisions relating to Capital Less Down and In Barrier Plus Callable/Kickout Upside Equity-Linked Notes/Index-Linked Notes potentially to be included in Final Terms***

Automatic Early Redemption Amount

Automatic Early Redemption shall be applicable to the Notes if the Automatic Early Termination Event specified in the applicable Final Terms occurs.

The Automatic Early Termination Event will occur if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Price of the Share, or the Value of the Basket, as applicable, as of the applicable Valuation Time is, either:

- (a) greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to the relevant Automatic Early Redemption Valuation Date; or
- (b) within an Automatic Early Redemption Range specific to the relevant Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

as specified in the applicable Final Terms, where:

"Automatic Early Redemption Range" means, if applicable, the range from (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Lower Limit to (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Upper Limit;

"Automatic Early Redemption Lower Limit" means, in relation to an Automatic Early Redemption Valuation Date, the Price per Share or Value per Basket, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable); and

"Automatic Early Redemption Upper Limit" means, in relation to an Automatic Early Redemption Valuation Date, the Price per Share or Value per Basket, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable).

If an Automatic Early Redemption Event is deemed to have occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Event will become payable on the immediately following Automatic Early Redemption Date.

For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

Final Redemption Amount

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

- (a) if (X) the Barrier Condition is satisfied; OR (Y) (A) the Barrier Condition is not satisfied, and (B) the Final Price is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Price, either:
 - (i)

$$\text{Specified Denomination} \times \left[100\% + \text{Min} \left\{ \text{Cap, Gearing} \times \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right\} \right]$$

OR

(ii) Digital Return,

as specified in the applicable Final Terms.

(b) if (A) the Barrier Condition is not satisfied, and (B) the Final Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Price:

$$\text{Specified Denomination} \times \text{Max} \left[0, \text{Barrier Gearing} \times \left(\frac{\text{Final Price}}{\text{Initial Price}} - 1 \right) + 100\% \right]$$

where:

"**Barrier Condition**" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the Final Price is greater than (or greater than or equal to) the Barrier Level on the Valuation Date;
- (b) if "**American**" is specified in the applicable Final Terms, that the Price in case of a Share or the Value of the Basket, as applicable, is greater than (or greater than or equal to) the Barrier Level during the Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the Relevant Price in case of a Share or the Value of the Basket, as applicable, is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date,

where "**Relevant Price**" means, if Averaging Dates are not specified in the applicable Final Terms, the Price in case of a Share or the Value of the Basket in respect of the relevant Observation Date; and if Averaging Dates are specified in the applicable Final Terms, the arithmetic mean of the Prices of the Share or the Values of the Basket at the Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"**Barrier Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Digital Return**", if applicable, means the Specified Denomination multiplied by *n* per cent., as specified in the applicable Final Terms;

"**Final Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms; and

"**Initial Price**" means the Initial Share Price, in case of Shares and Initial Value, in case of a Basket.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

2. **Capital Plus Callable/Kickout Upside Equity-Linked Notes/Index-Linked Notes**

A. ***Further Information relating to Capital Plus Callable/Kickout Upside Equity-Linked Notes/Index-Linked Notes***

The provisions in this section 2(A) and (B) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single Index, references to "Value" shall be construed as references to "Index Level" in respect of a Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of a Basket of Indices, and references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.

Capital Plus Callable/Kickout Upside Equity-Linked Notes/Index-Linked Notes are Equity-Linked Notes/Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Plus Callable/Kickout Upside Equity-Linked Notes/Index-Linked Notes, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying Share or a Basket of Shares, or an underlying Index or Basket of Indices, as specified in the applicable Final Terms.

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Price of the Share, or Value of the Basket, as applicable, as of the applicable Valuation Time satisfies one of the following conditions (the applicable condition relevant to the Automatic Early Redemption Valuation Date being specified in the applicable Final Terms):

- (a) Price of the Share or Value of the Basket is greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to that Automatic Early Redemption Valuation Date; or
- (b) Price of the Share or Value of the Basket falls within an Automatic Early Redemption Range specific to that Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

(each, an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

If such an Automatic Early Redemption Event occurs, and the investors receive the relevant Automatic Early Redemption Amount specified in the applicable Final Terms, the amount so received could be less than the amount that the investors would have received on maturity if the Notes had not redeemed early. If the Price in case of a Share or the Value of the Basket is not greater than or equal to the specified Automatic Early Redemption Price or within the Automatic

Early Redemption Range, as applicable, on the relevant Automatic Early Redemption Valuation Date, the Notes will not be redeemed early pursuant to such provisions and Noteholders will forego such Automatic Early Redemption Amount, which may have been greater than the Final Redemption Amount that the investors may ultimately receive on the Maturity Date.

The payment at the Maturity Date in relation to the Notes depends upon the performance of the underlying Share or Basket.

The Final Redemption Amount to investors at maturity will be a return of principal plus the lesser of:

- (a) a cap (if so specified in the applicable Final Terms); and
- (b) the upside of the performance of the Share or Basket multiplied by a leverage factor (the "**Gearing**"), as set out in the applicable Final Terms.

The Final Price (as defined below) may be determined on the basis of prices available on the Valuation Date or the average of prices relating to one or more Observation Dates or during an Observation Period.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.

Further, the Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

B. *Formulae for determination of Redemption Amounts and other optional provisions relating to Capital Plus Callable/Kickout Upside Equity-Linked Notes/Index-Linked Notes potentially to be included in Final Terms*

Automatic Early Redemption Amount

Automatic Early Redemption shall be applicable to the Notes if the Automatic Early Termination Event specified in the applicable Final Terms occurs.

The Automatic Early Termination Event will occur if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Price of the Share, or value of the Basket, as applicable, as of the applicable Valuation Time is either:

- (a) greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to the relevant Automatic Early Redemption Valuation Date; or
- (b) within an Automatic Early Redemption Range specific to the relevant Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

as specified in the applicable Final Terms,

where:

"**Automatic Early Redemption Range**" means, if applicable, the range from (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Lower Limit to (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Upper Limit;

"**Automatic Early Redemption Lower Limit**" means, in relation to an Automatic Early Redemption Valuation Date, the Price per Share or Value per Basket, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable); and

"**Automatic Early Redemption Upper Limit**" means, in relation to an Automatic Early Redemption Valuation Date, the Price per Share or Value per Basket, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable).

If an Automatic Early Redemption Event is deemed to have occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Event will become payable on the immediately following Automatic Early Redemption Date.

For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

Final Redemption Amount

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent as:

$$\text{Specified Denomination} \times \left[100\% + \text{Min} \left\{ \text{Cap, Gearing} \times \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right\} \right]$$

where:

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Final Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price, in case of Shares and Initial Value, in case of a Basket.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

3. **Capital Plus Minimum Upside Plus Capped/Uncapped Equity-Linked Notes/Index-Linked Notes**

A. ***Further Information relating to Capital Plus Minimum Upside Plus Capped/Uncapped Equity-Linked Notes/Index-Linked Notes***

The provisions in this section 3(A) and (B) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single Index, references to "Value" shall be construed as references to "Index Level" in respect of a Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of

a Basket of Indices, and references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.

Capital Plus Minimum Upside Plus Capped/Uncapped Equity-Linked Notes/Index-Linked Notes are Equity-Linked Notes/Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Plus Minimum Upside Plus Capped/Uncapped Equity-Linked Notes/Index-Linked Notes is linked to the performance of an underlying Share or a Basket, or an underlying Index or Basket of Indices, as specified in the applicable Final Terms.

The return to investors on maturity will be a return of principal plus the greater of:

- (a) a specified minimum return (if so specified in the applicable Final Terms);
- and
- (b) the lesser of:
 - (i) the upside of the performance of the Share or Basket, multiplied by a leverage factor (the "**Gearing**"), as set out in the applicable Final Terms; and
 - (ii) a cap (if so specified in the applicable Final Terms).

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.

Further, the Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

B. *Formula for determination of the Final Redemption Amount and other optional provisions relating to Capital Plus Minimum Upside Plus Capped/Uncapped Equity-Linked Notes/Index-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} \times \left[100\% + \text{Max} \left(\text{Minimum Return}, \text{Min} \left\{ \text{Cap}, \text{Gearing} \times \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right\} \right) \right]$$

where:

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Final Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price, in case of Shares, and Initial Value, in case of a Basket; and

"**Minimum Return**", if applicable, means *n* per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

4. **Capital Less Down and In Barrier Plus Upside Capped/Uncapped Equity-Linked Notes/Index-Linked Notes**

A. ***Further Information relating to Capital Less Down and In Barrier Plus Upside Capped/Uncapped Equity-Linked Notes/Index-Linked Notes***

The provisions in this section 4(A) and (B) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single Index, references to "Value" shall be construed as references to "Index Level" in respect of a Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of a Basket of Indices, and references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.

Capital Less Down and In Barrier Plus Upside Capped/Uncapped Equity-Linked Notes/Index-Linked Notes are Equity-Linked Notes/Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Less Down and In Barrier Plus Upside Capped/Uncapped Equity-Linked Notes/Index-Linked Notes is linked to the performance of an underlying Share or a Basket of Shares, or an underlying Index or Basket of Indices, as specified in the applicable Final Terms.

The payment at the Maturity Date in relation to the Notes depends upon the performance of the underlying Share or Basket. The Final Terms of the Notes will set out the alternatives for the Final Redemption Amount of the Notes. The alternative which is applicable depends upon whether the Final Price (as defined below) of the Share or Final Value of the Basket, as applicable, determined on the relevant Valuation Date(s) is greater than (or, if specified in Final Terms, greater than or equal to) a barrier (the "**Barrier Level**") specified in the Final Terms (the "**Barrier Condition**").

Investors in the Notes will receive at least a return of their initial investment if either of the following conditions are satisfied:

- (a) the Barrier Condition is satisfied; or
- (b) the Barrier Condition is not satisfied, but the Final Price, as applicable, is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Price (as defined below).

The Final Redemption Amounts payable at the Maturity Date if either of the above conditions are satisfied may be either (1) an amount linked to the Final Price; or (2) a fixed percentage return (a "**Digital Return**") for each Note. In the case of (1) the investors' return is linked to any positive performance of the underlying Share or Basket.

If the Barrier Condition is not satisfied, and the Final Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Price, the investors may lose some or all of their investment.

In addition, if the Final Redemption Amount is linked to the Final Price, the Final Redemption Amount may have any of the following features:

- (a) it, or any of the components of the performance, may be subject to a cap

The Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

- (b) the return may be subject to a leverage factor (the "**Gearing**").

The Final Price may be determined on the basis of prices available on the Valuation Date or the average of prices relating to one or more Observation Dates or during an Observation Period.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.

Further, the Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

B. *Formula for determination of the Final Redemption Amount and other optional provisions relating to Capital Less Down and In Barrier Plus Upside Capped/Uncapped Equity-Linked Notes/Index-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date will be determined by the Calculation Agent in accordance with the applicable formula, as follows:

- (a) if (i) the Barrier Condition is satisfied; OR (ii) (A) the Barrier Condition is not satisfied; and (B) the Final Price is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Price, as applicable:

- (i)

$$\text{Specified Denomination} \left[100\% + \text{Max} \left\{ 0, \text{Min} \left(\text{Cap, Gearing} \times \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right\} \right]$$

OR

- (ii) Digital Return;

as specified in the applicable Final Terms.

- (b) if (i) the Barrier Condition is not satisfied, and (ii) the Final Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Price:

$$\text{Specified Denomination} \times \frac{\text{Final Price}}{\text{Initial Price}}$$

where:

"Barrier Condition" means:

- (a) if "**European**" is specified in the applicable Final Terms, that the Final Price is greater than (or greater than or equal to) the Barrier Level on the Valuation Date;

- (b) if "**American**" is specified in the applicable Final Terms, that the Price in case of a Share or the Value of the Basket, as applicable, is greater than (or greater than or equal to) the Barrier Level during the Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Final Terms, that the Relevant Price in case of a Share or the Value of the Basket, as applicable, is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date,

where "**Relevant Price**" means, if Averaging Dates are not specified in the applicable Final Terms, the Price in case of a Share or the Value of the Basket in respect of the relevant Observation Date; and if Averaging Dates are specified in the applicable Final Terms, the arithmetic mean of the Prices of the Share or the Values of the Basket at the Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"**Cap**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Digital Return**", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms;

"**Final Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms; and

"**Initial Price**" means the Initial Share Price, in case of Shares and Initial Value, in case of a Basket.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

5. **Capital Plus Cliquet With Global Floor Notes**

A. **Further Information relating to Capital Plus Cliquet With Global Floor Notes**

The provisions in this section 5(A) and (B) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single Index, references to "Value" shall be construed as references to "Index Level" in respect of a Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of a Basket of Indices, and references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.

Capital Plus Cliquet With Global Floor Notes are Equity-Linked Notes/Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Plus Cliquet With Global Floor Notes is linked to the performance of an underlying Share or a Basket of Shares, or an underlying Index or Basket of Indices, as specified in the applicable Final Terms.

The payment at the Maturity Date in relation to the Notes depends upon the performance of the underlying Share or Basket, as calculated during specific periods during the tenor of the Note. The return that an investor receives will further be subject to a specified minimum return on investment (the "**Global Floor**") such that the return on the investment that an investor receives shall not be less than this amount.

The return on the Notes is determined with reference to the aggregate of the performances of the underlying Share or the Basket over several periods, rather than the overall performance of the underlying Share or Basket during the tenor of the Notes. The measured return for each period is subject to a maximum and a minimum. The lifetime of the Note will be divided into specific periods set out in applicable Final Terms and the Final Redemption Amount shall be calculated in accordance with the formula set out below such that the investor receives the greater of:

- (a) an aggregated amount calculated by reference to the performance of Final Price (as defined below) in each period during the tenor of the Note; and
- (b) the Global Floor.

The Final Price may be determined on the basis of prices available on the Valuation Date or the average of prices relating to one or more Observation Dates or during an Observation Period.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.

Further, the Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

B. *Formula for determination of the Final Redemption Amount relating to Capital Plus Cliquet With Global Floor Notes*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

$$\text{Specified Denomination} \times \left[100\% + \text{Max} \left(\text{Global Floor}, \sum_{n=1}^i \text{Share Price} \right) \right]$$

where:

"**Final Cliquet Level_n**" or "**FCL_n**" means, with respect to each Period_n, the daily arithmetic average of the Price of the Share or the Value of the Basket at either:

- (A) the official closing levels of the Index; or
- (B) levels of the Index as of the Valuation Time,

as specified in the applicable Final Terms, on each Period_n Averaging Date;

"**Final Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**Global Floor**" means *n* per cent., as specified in the applicable Final Terms;

"**i**" means the total number of Period_n;

"Initial Cliquet Level_n" or **"ICL_n"** means:

- (a) with respect of the first Period_n, the level of the Index as of the Valuation Time on the Strike Date; and
- (b) with respect of every other Period_n (where $n = 2$ to $n = i$), the level of the Index as of the Valuation Time on the immediately preceding Period End Date_n (where $n = n - 1$);

"Period_n" means for each period from $n = 1$ to $n = i$, to be specified in the applicable Final Terms, from and including the Period Start Date_n to but excluding the corresponding Period End Date_n:

"Period_n Averaging Dates" means, unless otherwise specified in the applicable Final Terms, in respect of each Period_n, each Scheduled Trading Date from and including the corresponding Period_n Averaging Start Date_n to either (i) and including; or (B) but excluding the corresponding Period End Date_n, as specified in the applicable Final Terms;

"Period_n Averaging Start Date" means, with respect to each Period_n, the corresponding date specified as such in the applicable Final Terms, in respect of such Period_n;

"Period End Date_n" means, with respect to each Period_n, the corresponding date specified as such in the applicable Final Terms, in respect of such Period_n;

"Period Maximum" means n per cent., as specified in the applicable Final Terms;

"Period Minimum" means n per cent., as specified in the applicable Final Terms;

"Period Start Date_n" means, with respect to each Period_n, the date specified as such in the applicable Final Terms in respect of such Period_n; and

"Share Price_n" means, with respect to each Period_n:

$$(\text{Final Cliquet Level}_n - \text{Initial Cliquet Level}_n) / \text{Initial Cliquet Level}_n$$

provided that the Share Price with respect to each Period_n shall not be less than Period Minimum and shall not be greater than the Period Maximum.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

6. **Capital Less Down Plus Cliquet Global Floor Notes**

A. **Further Information relating to Capital Less Down Plus Cliquet Global Floor Notes**

The provisions in this section 6(A) and (B) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single Index, references to "Value" shall be construed as references to "Index Level" in respect of a Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of a Basket of Indices, and references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.

Capital Less Down Plus Cliquet Global Floor Notes are Equity-Linked Notes/Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Less Down Plus Cliquet Global Floor Notes is linked to the performance of an underlying Share or a Basket of Shares, or an underlying Index or Basket of Indices, as specified in the applicable Final Terms.

The Final Terms of the Notes will set out the alternatives for the Final Redemption Amount of the Notes. The alternative which is applicable depends upon whether the Price of the Share or Value of the Basket, as applicable, determined on the relevant Valuation Date(s) is greater than (or, if specified in Final Terms, greater than or equal to) a barrier (the "**Barrier Level**") specified in the Final Terms (the "**Barrier Condition**").

Investors in the Notes will receive at least a return of their initial investment if either of the following conditions are satisfied:

- (a) the Barrier Condition is satisfied; or
- (b) the Barrier Condition is not satisfied, but the Final Price (as defined below), is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Price (as defined below).

If either of the conditions above is satisfied, the Final Redemption Amount payable at the Maturity Date in relation to the Notes depends upon the performance of the underlying Share or Basket, as calculated during specific periods during the tenor of the Note. The returns that an investor receives will further be subject to a specified minimum return (the "**Global Floor**") such that the returns on the investment that an investor receives shall not be less than this amount.

The return on the Notes is determined with reference to the aggregate of the performances of the underlying Share or the Basket over several periods, rather than the overall performance of the underlying Share or Basket during the tenor of the Notes. The measured return for each period is subject to a maximum and a minimum. The lifetime of the Note will be divided into specific periods set out in applicable Final Terms and the Final Redemption Amount shall be calculated in accordance with the formula set out below such that the investor receives the greater of:

- (a) an aggregated amount calculated by reference to the performance of Final Price in each period during the tenor of the Note; and
- (b) the Global Floor.

If the Barrier Condition is not met, and the Final Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Price the investors may lose some or all of their investment.

The Final Price may be determined on the basis of prices available on the Valuation Date or the average of prices relating to one or more Observation Dates or during an Observation Period.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.

Further, the Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

B. **Formula for determination of the Final Redemption Amount relating to Capital Less Down Plus Cliquet Global Floor Notes**

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date will be determined by the Calculation Agent in accordance with the applicable formula, as follows:

- (a) if (i) the Barrier Condition is satisfied; OR (ii) (A) the Barrier Condition is not satisfied; and (B) the Final Price is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Price:

$$\text{Specified Denomination} \times \left[100\% + \text{Max} \left(\text{Global Floor}, \sum_{n=1}^i \text{Share Price} \right) \right]$$

- (b) if (i) the Barrier Condition is not satisfied, and (ii) the Final Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Price:

$$\text{Specified Denomination} \times \frac{\text{Final Price}}{\text{Initial Price}}$$

where:

"Barrier Condition" means:

- (a) if **"European"** is specified in the applicable Final Terms, that the Final Price is greater than (or greater than or equal to) the Barrier Level on the Valuation Date;
- (b) if **"American"** is specified in the applicable Final Terms, that the Price in case of a Share or the Value of the Basket, as applicable, is greater than (or greater than or equal to) the Barrier Level during the Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the Relevant Price in case of a Share or the Value of the Basket, as applicable, is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date,

where **"Relevant Price"** means, if Averaging Dates are not specified in the applicable Final Terms, the Price in case of a Share or the Value of the Basket in respect of the relevant Observation Date; and if Averaging Dates are specified in the applicable Final Terms, the arithmetic mean of the Prices of the Share or the Values of the Basket at the Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"Final Cliquet Level_n" or **"FCL_n"** means, with respect to each Period_n, the daily arithmetic average of the Price of the Share or the Value of the Basket at either:

- (A) the official closing levels of the Index; or
- (B) levels of the Index as of the Valuation Time;

as specified in the applicable Final Terms, on each Period_n Averaging Date;

"Final Price" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"Global Floor" means *n* per cent., as specified in the applicable Final Terms;

"i" means the total number of Period_n;

"Initial Cliquet Level_n" or **"ICL_n"** means:

- (a) with respect of the first Period_n, the level of the Index as of the Valuation Time on the Strike Date; and
- (b) with respect of every other Period_n (where $n = 2$ to $n = i$), the level of the Index as of the Valuation Time on the immediately preceding Period End Date_n (where $n = n - 1$);

"Initial Price" means the Initial Share Price, in case of Shares and Initial Value, in case of a Basket;

"Period_n" means for each period from $n = 1$ to $n = i$, to be specified in the applicable Final Terms, from and including the Period Start Date_n to but excluding the corresponding Period End Date_n:

"Period_n Averaging Dates" means, unless otherwise specified in the applicable Final Terms, in respect of each Period_n, each Scheduled Trading Date from and including the corresponding Period_n Averaging Start Date_n to either (i) and including; or (B) but excluding the corresponding Period End Date_n, as specified in the applicable Final Terms;

"Period_n Averaging Start Date" means, with respect to each Period_n, the corresponding date specified as such in the applicable Final Terms, in respect of such Period_n;

"Period End Date_n" means, with respect to each Period_n, the corresponding date specified as such in the applicable Final Terms, in respect of such Period_n;

"Period Maximum" means n per cent., as specified in the applicable Final Terms;

"Period Minimum" means n per cent., as specified in the applicable Final Terms;

"Period Start Date_n" means, with respect to each Period_n, the date specified as such in the applicable Final Terms in respect of such Period_n; and

"Share Price_n" mean, with respect to each Period_n:

$$(\text{Final Cliquet Level}_n - \text{Initial Cliquet Level}_n) / \text{Initial Cliquet Level}_n$$

provided that the Share Price with respect to each Period_n shall not be less than Period Minimum and shall not be greater than the Period Maximum.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

7. **Defensive Returns Equity-Linked Notes/Index-Linked Notes**

A. **Further Information relating to Defensive Returns Equity-Linked Notes/Index-Linked Notes**

The provisions in this section 7(A) and (B) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single Index, references to "Value" shall be construed as references to "Index Level" in respect of a Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share

Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of a Basket of Indices, and references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.

Defensive Returns Equity-Linked Notes/Index-Linked Notes are Equity-Linked Notes/Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to the Notes, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying Share or a Basket or, as the case may be, an underlying Index or Basket of Indices, as specified in the applicable Final Terms.

At the Maturity Date, an investor in the Notes will receive a return based on the Final Price as compared to any applicable Call Strike, Put Strike, Initial Price and/or Barrier Level (each as defined below). Investors in the Notes will receive at least a return of their initial investment if either of the following conditions is satisfied:

- (a) the Final Price is greater than (or, if specified in Final Terms, greater than or equal to) a price or value specified in the applicable Final Terms (the "**Call Strike**"); or
- (b) the Final Price is less than (or, if specified in the applicable Final Terms, less than or equal to) a price or value specified in the applicable Final Terms (the "**Put Strike**") but above the barrier level specified in the applicable Final Terms (the "**Barrier Level**").

If the Final Price is greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Call Strike, investors in the Notes will receive a return which may be either (1) a return of the principal plus the greater of (i) zero; and (ii) the upside of the performance of the underlying Share or Basket multiplied by a leverage factor (the "**Call Gearing**"), as set out in the Final Terms, subject to a cap (the "**Call Cap**"); or (2) a fixed percentage return (a "**Digital Return 1**") for each Note, as specified in the applicable Final Terms.

If the Final Price is (i) less than (or, if specified in the applicable Final Terms, less than or equal to) the Call Strike and (ii) greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Put Strike, investors in the Notes will receive a Final Redemption Amount equal to the product of the principal and a leverage factor (the "**Gearing**") as set out in the Final Terms. The applicable Final Terms may set out a Call Strike or a Put Strike, in each case, which may be equal to each other or to the Initial Price. Where both the Call Strike and the Put Strike are equal as per the applicable Final Terms, this calculation for the Final Redemption Amount will not be applicable.

If the Final Price is less than (or, if specified in the applicable Final Terms less than or equal to) the Put Strike, but greater than or equal to the Barrier Level, the investors in the Notes will receive a Final Redemption Amount which may be either (1) a return of the principal plus the lesser of (i) a cap (if so specified in the applicable Final Terms) (the "**Put Cap**"); and (ii) the downside of the performance of the underlying Share or Basket (but expressed as a positive number) multiplied by a leverage factor (the "**Put Gearing**"), as set out in the applicable Final Terms; or (2) a fixed percentage return (a "**Digital Return 2**") for each Note, as specified in the applicable Final Terms.

Finally, if the Final Price is less than the Barrier Level, the investors in the Notes will suffer a loss of capital on the Notes in proportion with the decline of the relevant performance below the Barrier Level which may, if so specified in the applicable Final Terms, be multiplied by a leverage factor (the "**Barrier Gearing**"), as set out in the applicable Final Terms.

The Final Price may be determined on the basis of prices available on the Valuation Date or the average of prices relating to one or more Observation Dates or during an Observation Period.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest

Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.

Further, the Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

B. *Formulae for determination of Final Redemption Amount and other optional provisions relating to Defensive Returns Equity-Linked Notes/Index-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent in accordance with the applicable formula, as follows:

- (a) if the Final Price is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Call Strike:

$$(i) \quad \text{Specified Denomination} \times \left[1 + \text{Min} \left\{ \text{Call Cap}, \text{Max} \left\{ 0, \left(\text{Call Gearing} \times \frac{\text{Final Price} - \text{Call Strike}}{\text{Initial Price}} \right) \right\} \right\} \right]$$

OR

- (ii) *Digital Return 1*

- (b) if applicable, if the Final Price is: (1) less than (or less than or equal to, if so specified in the applicable Final Terms) the Call Strike and (2) greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Put Strike:

$$\text{Specified Denomination} \times \text{Gearing}$$

- (c) if the Final Price is: (1) less than (or less than or equal to, if so specified in the applicable Final Terms) the Put Strike and (2) greater than or equal to the Barrier Level:

$$(i) \quad \text{Specified Denomination} \times \left[1 + \text{Min} \left\{ \text{Put Cap}, \left(\text{Put Gearing} \times \frac{\text{Put Strike} - \text{Final Price}}{\text{Initial Price}} \right) \right\} \right]$$

OR

- (ii) *Digital Return 2*

- (d) if the Final Price is less than the Barrier Level:

$$\text{Specified Denomination} \times \text{Max} \left[0, \left\{ 1 - \text{Barrier Gearing} \times \left(\frac{\text{Barrier Level} - \text{Final Price}}{\text{Initial Price}} \right) \right\} \right]$$

where:

"**Barrier Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Call Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Call Strike**" means *n* per cent. of the Initial Price, as specified in the applicable Final Terms;

"**Call Cap**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Digital Return 1**", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms;

"**Digital Return 2**", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms;

"**Final Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Initial Price**" means the Initial Share Price, in case of Shares and Initial Value, in case of a Basket;

"**Put Cap**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Put Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms; and

"**Put Strike**" means n per cent. of the Initial Price, as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

8. **Reverse Convertible Equity-Linked Notes/Index-Linked Notes**

A. **Further Information relating to Reverse Convertible Equity-Linked Notes/Index-Linked Notes**

The provisions in this section 8(A) and (B) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single Index, references to "Value" shall be construed as references to "Index Level" in respect of a Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of a Basket of Indices, and references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.

Reverse Convertible Equity-Linked Notes/Index-Linked Notes are Equity-Linked Notes/Index-Linked Notes that are linked to the performance of a Share or Basket, or, as the case may be, an underlying Index or Basket of Indices, as specified in the applicable Final Terms, designed to provide fixed interest payments either at maturity of the Notes or periodically throughout the life of the Notes. The Final Redemption Amount of the Notes will depend upon the performance of a Share or a Basket of Shares, or an Index or Basket of Indices, as specified in the applicable Final Terms.

The Final Terms of the Notes will set out two alternatives for the Final Redemption Amount of the Notes. Which of the two alternatives is applicable will depend on whether certain conditions (the "**Barrier Conditions**") relating to the Final Price (as defined below) in comparison to the Initial Price (as defined below) are satisfied, as specified in the Final Terms (which may be the

performance being greater than (or greater than or equal to) a barrier level (the "**Barrier Level**").

The two alternative Final Redemption Amounts will each be one of the following:

- (a) an amount linked to the ratio of the Final Price to the Initial Price of a Share or a Basket of Shares, as the case may be (which may or may not be the same Share or Basket that determined whether or not the Barrier Condition had been satisfied); or
- (b) a fixed percentage return (a "**Digital Return**") for each Note.

In addition, if the Final Redemption Amount is linked to the Final Price, the Final Redemption Amount may have any of the following features:

- (a) it, or any of the components of the performance, may be subject to a cap (a maximum) or a floor (a minimum) on the performance of the Share, the Basket, or any component of the Basket.
- (b) the return may be subject to a leverage factor (the "**Gearing**").

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.

Further, the Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

B. *Formulae for Final Redemption Amount and other optional provisions relating to Reverse Convertible Equity-Linked Notes/Index-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date shall be an amount determined by the Calculation Agent in accordance with the applicable formula, as follows:

- (a) If the Barrier Condition has been satisfied then:

- (i)

$$\text{Specified Denomination} \times \left[100\% + \text{Max} \left\{ 0, \text{Gearing} \times \left(\frac{\text{Final Price}}{\text{Initial Price}} - 100\% \right) \right\} \right]$$

OR

- (ii) Digital Return 1;

as specified in the applicable Final Terms.

- (b) If not, the Final Redemption Amount shall be determined as:

- (i)

$$\text{Specified Denomination} \times \text{Min} \left[\text{Cap}, \frac{\text{Final Price}}{\text{Initial Price}} \right]$$

OR

- (ii) Digital Return 2;

as specified in the applicable Final Terms.

where:

"Barrier Condition" means:

- (a) if **"European"** is specified in the applicable Final Terms, that the Final Price is greater than (or greater than or equal to) the Barrier Level on the Valuation Date;
- (b) if **"American"** is specified in the applicable Final Terms, that the Price in case of a Share or the Value of the Basket, as applicable, is greater than (or greater than or equal to) the Barrier Level during the Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the Relevant Price in case of a Share or the Value of the Basket, as applicable, is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date,

where **"Relevant Price"** means, if Averaging Dates are not specified in the applicable Final Terms, the Price in case of a Share or the Value of the Basket in respect of the relevant Observation Date; and if Averaging Dates are specified in the applicable Final Terms, the arithmetic mean of the Prices of the Share or the Values of the Basket at the Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"Cap", if applicable, means n per cent., as specified in the applicable Final Terms;

"Digital Return 1", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms;

"Digital Return 2", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms;

"Final Price" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"Gearing", if applicable, means n per cent., as specified in the applicable Final Terms; and

"Initial Price" means the Initial Share Price, in case of Shares and Initial Value, in case of a Basket.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

9. **N Barrier Coupon Equity-Linked Notes/Index-Linked Notes**

A. ***Further Information relating to N Barrier Coupon Equity-Linked Notes/Index-Linked Notes***

The provisions in this section 9(A) and (B) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single

Index, references to "Value" shall be construed as references to "Index Level" in respect of a Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of a Basket of Indices, and references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.

N Barrier Coupon Equity-Linked Notes/Index-Linked Notes are Equity-Linked Notes/Index-Linked Notes in relation to which the Interest Amount for such Notes is only payable if the performance of the underlying Share or Basket of Shares, or, as the case may be, the underlying Index or Basket of Indices, as specified in the applicable Final Terms, fulfils certain conditions set out in the applicable Final Terms (each, a "**Barrier Condition**").

An Interest Amount in respect of the Notes shall be payable if the Price of the Share, or Value of the Basket, as applicable, as of the applicable valuation time on the applicable valuation date(s) (the "**Coupon Valuation Date(s)**"), or applicable observation date(s) (the "**Coupon Observation Date(s)**"), or applicable observation period (the "**Coupon Observation Period(s)**") satisfies a specified Barrier Condition or multiple Barrier Conditions, as determined by the Calculation Agent (a "**Payout Event**"). Each Interest Period relating to an Interest Payment Date (which may, for the avoidance of doubt, include the Maturity Date) may have one or more corresponding Barrier Conditions, each relevant to a Coupon Valuation Date(s), Coupon Observation Date(s) or Coupon Observation Period(s), as applicable, that differ from those applicable to any other Interest Period(s), Coupon Valuation Date(s), Coupon Observation Date(s), Coupon Observation Period(s) and related Interest Payment Date(s). For the avoidance of doubt, there may be multiple Barrier Conditions for each Coupon Valuation Date, Coupon Observation Date or Coupon Observation Period and there may be multiple Coupon Valuation Dates, Coupon Observation Dates or Coupon Observation Periods in respect of an Interest Period, in each case, as specified in the applicable Final Terms.

Each Barrier Condition may have its own Barrier Level, or Upper Barrier Level and Lower Barrier Level (i.e. range), as applicable, and each Barrier Condition is evaluated independently (irrespective of other Barrier Conditions that may apply). The relevant Barrier Level, or Upper Barrier Level and Lower Barrier Level in respect of any Barrier Condition are specified in the applicable Final Terms.

Each Barrier Condition will have an associated Interest Amount and the total Interest Amount payable on the relevant Interest Payment Date will be the aggregate of each Interest Amount payable (based on each of the individual Barrier Conditions met) plus a minimum interest amount (the "**Minimum Interest Amount**"), if any, specified in the applicable Final Terms.

The Final Redemption Amount payable at the Maturity Date will be at par.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.

Further, the Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

B. ***Formulae for determination of Interest Amount and other optional provisions relating to N Barrier Coupon Equity-Linked Notes/Index-Linked Notes potentially to be included in Final Terms***

Interest Amount

Whether or not one or more Payout Event(s) occurs in respect of the Notes depends upon the Price of the Share, or Value of the Basket, as applicable, as compared to one or more relevant Barrier Conditions specified in the applicable Final Terms occurs, as determined by the Calculation Agent.

A Payout Event will occur if on any Coupon Valuation Date or during any Coupon Observation Period or on each and every Coupon Observation Date, the Price of the Share, or Value of the Basket, as applicable, meets the relevant Barrier Condition applicable to that Coupon Valuation Date, that Coupon Observation Period or those Coupon Observation Dates.

If the Calculation Agent determines that a Payout Event has occurred, the Interest Amount relevant to the particular Barrier Condition satisfied will become payable. The total Interest Amount payable will be the aggregate of each Interest Amount payable in respect of each Interest Period for which a Barrier Condition is satisfied plus the Minimum Interest Amount, if applicable.

"Barrier Condition" means:

(a) if **"European"** is specified in the applicable Final Terms, that the Price or Final Share Price in case of a Share, as applicable, or the Value or Final Value of the Basket, as applicable, is:

- (i) greater than (or greater than or equal to) the Barrier Level on the Coupon Valuation Date;
- (ii) less than (or less than or equal to) the Barrier Level on the Coupon Valuation Date; or
- (iii) greater than (or greater than or equal to) the Lower Barrier Level on the Coupon Valuation Date and less than (or less than or equal to) the Upper Barrier Level on the Coupon Valuation Date,

as specified in the applicable Final Terms.

(b) if **"American"** is specified in the applicable Final Terms, that the Price in case of a Share or the Value of the Basket, as applicable, is:

- (i) greater than (or greater than or equal to) the Barrier Level during the Coupon Observation Period;
- (ii) less than (or less than or equal to) the Barrier Level during the Coupon Observation Period; or
- (iii) greater than (or greater than or equal to) the Lower Barrier Level during the Coupon Observation Period and less than (or less than or equal to) the Upper Barrier Level during the Coupon Observation Period,

as specified in the applicable Final Terms.

(c) if **"Bermudan"** is specified in the applicable Final Terms, that the Price or Final Share Price in case of a Share, as applicable, or the Value or Final Value of the Basket, as applicable, is:

- (i) greater than (or greater than or equal to) the Barrier Level on each and every Coupon Observation Date;
- (ii) less than (or less than or equal to) the Barrier Level on each and every Coupon Observation Date; or

- (iii) greater than (or greater than or equal to) the Lower Barrier Level on each and every Coupon Observation Date and less than (or less than or equal to) the Upper Barrier Level on each and every Coupon Observation Date,

as specified in the applicable Final Terms.

"Coupon Observation Date" means, in relation to any Interest Payment Date, each date specified as such for such Interest Payment Date in the applicable Final Terms;

"Coupon Observation Period" means, in relation to any Interest Payment Date, the period specified as such in respect of such Interest Payment Date in the applicable Final Terms;

"Coupon Valuation Date" means, in relation to any Interest Payment Date, each date specified as such for such Interest Payment Date in the applicable Final Terms;

"Final Price" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"Initial Price" means the Initial Share Price, in case of Shares and Initial Value, in case of a Basket;

"Lower Barrier Level", if applicable, means *n* per cent. of the Initial Price, as specified in the applicable Final Terms;

"Minimum Interest Amount", if applicable, has the meaning specified in the applicable Final Terms; and

"Upper Barrier Level", if applicable, means *n* per cent. of the Initial Price, as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

10. **Range Accrual Equity-Linked Notes/Index-Linked Notes**

A. ***Further Information relating to Range Accrual Equity-Linked Notes/Index-Linked Notes***

The provisions in this section 10(A) and (B) apply to Index-Linked Notes in the same manner as to Equity-Linked Notes, and references to "Share" shall be construed as references to "Index", references to "Basket" (of Shares) shall be construed as reference to "Basket" (of Indices), references to "Price" shall be construed as references to "Index Level" in respect of a single Index, references to "Value" shall be construed as references to "Index Level" in respect of a Basket of Indices, references to "Initial Share Price" shall be construed as references to "Initial Index Level" in respect of a single Index, references to "Initial Value" shall be construed as references to "Initial Index Level" in respect of Basket of Indices, references to "Initial Price" shall be construed as references to "Initial Index Level" in respect of a single Index or, as the case may be, "Initial Index Level" in respect of a Basket of Indices, references to "Final Share Price" shall be construed as references to "Final Index Level" in respect of a single Index, references to "Final Value" shall be construed as references to "Final Index Level" in respect of a Basket of Indices, and references to "Final Price" shall be construed as references to "Final Index Level" in respect of a single Index or, as the case may be, "Final Index Level" in respect of a Basket of Indices.

Range Accrual Equity-Linked Notes/Index-Linked Notes are Equity-Linked Notes/Index-Linked Notes that provide for interest to be paid either (i) at Interest Payment Dates occurring at regular intervals throughout the life of the Notes; or (ii) in a single amount on the Interest Payment Date falling on the Maturity Date, as specified in the Final Terms. The Interest Amount that an investor in the Notes receives is linked to the performance of a Share or a Basket of Shares or, as the case may be, an underlying Index or Basket of Indices, as specified in the applicable Final Terms and on how many actual days during the Interest Period ending on such Interest Payment

Date its price or level, as applicable remains within a range of prices or levels, as applicable, the upper and lower limit of which will be specified in the applicable Final Terms. If the Price of the Shares or Value of the Basket of Shares, as applicable, is below the lower limit or higher than the upper limit on some or all of the actual days in an Interest Period, the investor may receive low or even zero interest payments, respectively, for the relevant Interest Period.

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, and unless otherwise specified in the applicable Final Terms, the Final Redemption Amount of the Notes will be at par.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Shares" or "Worst of n Shares" as applicable. If "Best of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the highest Prices and/or Final Share Prices, as applicable, in accordance with the Final Terms, as if the Basket is constituted of only those Shares. If "Worst of n Shares" is specified, the Value of the Basket and/or the Final Value of the Basket will be calculated on the basis of a specified number of Shares, "n" in number, which have the lowest Prices and/or Final Share Prices, in accordance with the Final Terms, as if the Basket is constituted of only those Shares.

Further, the Final Terms may specify a cap on the performance of the Share, the Basket, or any component of the Basket.

B. *Formulae for determination of Rate of Interest and other optional provisions relating to Range Accrual Equity-Linked Notes/Index-Linked Notes potentially to be included in Final Terms*

Rate of Interest

The Rate of Interest payable in respect of the Notes for any Interest Period shall be a rate determined by the Calculation Agent in accordance with the following formula:

Relevant Rate \times Accrual Factor

where:

"**Accrual Factor**" is calculated as the actual number of days during each Interest Period in which the Price of Shares, or Value of the Basket, as applicable, is greater than or equal to the Lower Range and less than or equal to the Upper Range divided by the actual number of days during such Interest Period; *provided that*, (i) for days that are not Exchange Business Days, the Price of Shares, or Value of the Basket shall be the same as the previous Exchange Business Day's fixing, and (ii) the final fixing of the Price of Shares or Value of the Basket in the respective Interest Period will be as of the day that is five (5) Exchange Business Days prior to the respective Interest Payment Date and that day's fixing shall apply in respect of the remaining days of the respective Interest Period; and

"**Relevant Rate**" shall be any of the fixed Rate of Interest specified in the Fixed Rate provisions of the applicable Final Terms, the Reference Rate specified in the Floating Rate or the relevant rate specified in the applicable Final Terms, as applicable (and calculated by the calculation agent in accordance with the terms and fixed on the dates specified therein);

"**Lower Range**" is a fixed value specified in the applicable Final Terms; and

"**Upper Range**" is a fixed value specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

Risk Factors in relation to the Equity-Linked Notes/ Index-Linked Notes

An investment in Equity-Linked Notes/Index-Linked Notes involves risks. For the risks involved, please see the section entitled "*Risk Factors*" set out in Part A of this Base Prospectus and in particular the section entitled "*Risk Factors related to Equity-Linked/Index-Linked Notes*".

Standard Terms for Equity-Linked Notes/ Index-Linked Notes

The Conditions applicable to the Notes shall be supplemented by the following Terms applicable to the Equity-Linked Notes/Index-Linked Notes, unless otherwise indicated in the applicable Final Terms. The Conditions apply to all Equity-Linked Notes/Index-Linked Notes and, in the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Base Prospectus, these Terms will prevail for the purposes of the Equity-Linked Notes/Index-Linked Notes. In the event of any inconsistency between any of these Terms or any statement in or incorporated by reference into the Base Prospectus, and the Final Terms in relation to the Equity-Linked Notes/Index-Linked Notes, the Final Terms shall prevail.

SECTION I: TERMS FOR SINGLE SHARE LINKED NOTES

1. Definitions

For the purposes of the terms and conditions of the Single Share Linked Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means a Change in Law, an Insolvency Filing, a Hedging Disruption and/or an Increased Cost of Hedging, as specified in the applicable Final Terms and as determined by the Calculation Agent;

"Automatic Early Redemption Amount" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, (a) an amount specified as such in the applicable Final Terms, or, if no such amount is specified, (b) an amount per Single Share Linked Note equal to the product of (i) the Issue Price and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, all as determined by the Calculation Agent in its sole and absolute discretion;

"Automatic Early Redemption Date(s)" means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with Term 2 (*Disrupted Days*) below;

"Automatic Early Redemption Event" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, (unless otherwise specified in the applicable Final Terms) that the Price per Share is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price, as determined by the Calculation Agent in its sole and absolute discretion;

"Automatic Early Redemption Price" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, the Price per Share specified as such or otherwise determined in the applicable Final Terms;

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date and if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, the rate specified as such in the applicable Final Terms;

"Automatic Early Redemption Valuation Date(s)" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, each of the date(s) specified as such in the applicable Final Terms or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

"Averaging Dates" means each of the dates set forth in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (1) it is unable to perform its obligations in respect of the Notes or it has become illegal for the Issuer and/or any of its affiliates to hold, acquire or dispose of any relevant hedge positions in respect of the Notes; or
- (2) it or any of its affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;

"Delisting" means that the Exchange announces that pursuant to its rules the Shares have ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Calculation Agent;

"Disrupted Day" means any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred, all as determined by the Calculation Agent;

"Early Closure" means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent;

"Exchange" means the Exchange specified in the applicable Final Terms or otherwise the principal stock exchange on which the Shares are, in the determination of the Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Shares on such successor or substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any such Related Exchange closing prior to its Scheduled Closing Time, as determined by the Calculation Agent;

"Exchange Disruption" means, in respect of the Shares, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on any Related Exchange;

"Extraordinary Dividend" means, in respect of the Shares, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Calculation Agent;

"Fair Market Value" means, in relation to any Note which is to be redeemed early, its fair market value as of the early redemption date less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes (all as determined by the Calculation Agent);

"Final Share Price" means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Valuation Date or, if Averaging Dates are specified in the applicable Final Terms, the arithmetic mean of the prices of one Share at the Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"Hedging Disruption" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk in respect of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

"Increased Cost of Hedging" means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or any of its affiliates shall not be deemed an Increased Cost of Hedging;

"Initial Share Price" means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"Insolvency" means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (A) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of the Share Issuer become legally prohibited from transferring them, all as determined by the Calculation Agent;

"Insolvency Filing" means that the Calculation Agent determines that the Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition;

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, all as determined by the Calculation Agent;

"Merger Date" means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

"Merger Event" means, in respect of the Shares, any (i) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the

outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before the Valuation Date (or such other date as may be specified in the applicable Final Terms), all as determined by the Calculation Agent;

"**Nationalisation**" means that all the Shares of the Share Issuer or all or substantially all the assets of the Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof, as determined by the Calculation Agent;

"**New Shares**" means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Calculation Agent and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations, all as determined by the Calculation Agent;

"**Observation Date**" means each date, if any, specified as such in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"**Observation Period**" has the meaning given to it in the applicable Final Terms;

"**Other Consideration**" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party);

"**Potential Adjustment Event**" means any of the following: a subdivision, consolidation or reclassification of the Shares (unless resulting in a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue; a distribution, issue or dividend to existing holders of the Shares of (A) Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; an Extraordinary Dividend; a call by the Share Issuer in respect of Shares that are not fully paid; a repurchase by the Share Issuer or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; with respect to the Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer (**provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or any other event that may have a diluting or concentrative effect on the theoretical value of the Shares, all as determined by the Calculation Agent;

"**Single Share Linked Notes Currency**" means the currency in which the relevant Single Share Linked Notes are denominated;

"**Price**" means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if "**Constant Monitoring**" is specified as being applicable in the applicable Final Terms, at any given time on such Exchange Business Day or (ii) if "**Valuation Time Only**" is specified as being applicable in the applicable Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent;

"Related Exchange" means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Shares, or such other options or futures exchange(s) as the Issuer shall (acting on the instructions of the Calculation Agent) select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Shares has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Shares on such temporary substitute exchange or quotation system as on the original Related Exchange);

"Scheduled Closing Time" means, in respect of the Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"Scheduled Trading Day" means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions;

"Share Currency" has the meaning given to it in the applicable Final Terms;

"Share Issuer" has the meaning given to it in the applicable Final Terms;

"Shares" has the meaning given to it in the applicable Final Terms;

"Strike Date" means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"Strike Price" means the price (if any) specified as such in the applicable Final Terms;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent);

"Trading Disruption" means any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (i) relating to the Shares on the Exchange or (ii) in futures or options contracts relating to the Shares on a Related Exchange, all as determined by the Calculation Agent;

"Valuation Date" means the date (if any) specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below; and

"Valuation Time" means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified in the applicable Final Terms or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Term 2 (*Disrupted Days*) below) the Valuation Time shall be such actual closing time.

2. **Disrupted Days**

- 2.1 If the Calculation Agent determines that the Strike Date, the Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, in respect of the Shares is a Disrupted Day, then the Strike Date, the Valuation Date, such Automatic Early

Redemption Valuation Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, in respect of the Shares, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

2.2 If any Averaging Date is a Disrupted Day, then, if the consequence specified in the applicable Final Terms in relation to "Averaging Date Market Disruption" is:

- (a) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Share Price **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Term 2.1 above will apply for purposes of determining the relevant price on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (b) "**Postponement**", then Term 2.1 above will apply for purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Single Share Linked Notes; or
- (c) "**Modified Postponement**", then:
 - (i) the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to the relevant Share; and (2) the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Term 2.1 above; and
 - (ii) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

Notwithstanding the provisions of any term or condition of the Single Share Linked Notes, if the Calculation Agent determines that a Disrupted Day has occurred on the Valuation Date and/or on any Observation Date, Automatic Early Redemption Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Maturity Date or (as the case may be) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period as specified in the applicable Final Terms) following the postponed Valuation Date, Observation Date, Automatic Early Redemption Valuation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount in accordance with this Term 2 (*Disrupted Days*).

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Single Share Linked Notes (copied to the Issuer) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Single Share Linked Notes.

3. **Adjustments**

3.1 *Adjustments*

If the Calculation Agent determines that a Potential Adjustment Event has occurred or that there has been an adjustment to the settlement terms of listed contracts on the Shares traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the terms and conditions of the Single Share Linked Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (**provided that** no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the Shares traded on that options exchange.

The Calculation Agent, on behalf of the issuer, shall give notice of such adjustment(s) and determinations to the Issuer and holders of the Single Share Linked Notes.

3.2 *Consequences of a Merger Event*

If the Calculation Agent determines that a Merger Event has occurred, the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Single Share Linked Notes at its Fair Market Value as at the Merger Date on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Share Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Single Share Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Single Share Linked Notes of such Merger Event (**provided that** no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Single Share Linked Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment; and/or (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the "Shares" and the "Share Issuer", respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Single Share Linked Notes as it may determine.

The Calculation Agent, on behalf of the Issuer, shall give notice of such redemption, adjustment or deemed change to holders of the Single Share Linked Notes (copied to the Issuer).

3.3 *Consequences of a Tender Offer*

If the Calculation Agent determines that a Tender Offer has occurred, then on or after the relevant Tender Offer Date the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Single Share Linked Note at its Fair Market Value as at the Tender Offer Date on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Share Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Single Share Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Single Share Linked Notes of such Tender Offer (**provided that** no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Single Share Linked Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer

by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment.

The Calculation Agent, on behalf of the Issuer, shall give notice of such redemption or adjustment to holders of the Single Share Linked Notes (copied to the Issuer).

3.4 ***Nationalisation, Insolvency or Delisting***

If in respect of the Shares or the Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a Delisting, the Issuer shall (if so instructed by the Calculation Agent) (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Single Share Linked Notes as the Calculation Agent determines to be appropriate to account for the Nationalisation, Insolvency or Delisting, as the case may be, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Single Share Linked Note at its Fair Market Value as at the date of redemption taking into account the Nationalisation, Insolvency or Delisting on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Share Linked Notes.

The Calculation Agent, on behalf of the Issuer, shall give notice of any redemption of the Single Share Linked Notes, determination or adjustment pursuant to this Term to holders of the Single Share Linked Notes (copied to the Issuer).

3.5 ***Change of Exchange***

If the Exchange is changed, the Issuer shall (acting on the instructions of the Calculation Agent) make such consequential modifications to the Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Single Share Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice of such modification(s) to holders of the Single Share Linked Notes (copied to the Issuer).

3.6 ***Price Correction***

In the event that any value or level published on the Exchange and which is utilised for any calculation or determination made under the Single Share Linked Notes is subsequently corrected and the correction is published by the Exchange within three Business Days (or such other period specified in the applicable Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will make such adjustments to the terms and conditions of the Single Share Linked Notes as the Calculation Agent determines to be appropriate to account for such correction.

The Calculation Agent, on behalf of the Issuer, shall give notice of such adjustment(s) to holders of the Single Share Linked Notes (copied to the Issuer).

3.7 ***Currency***

If the Calculation Agent determines that any event occurs affecting the Single Share Linked Notes Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Single Share Linked Notes (including the date on which any amount is payable by the Issuer), the Issuer shall (acting on the instructions of the Calculation Agent) make such adjustment or adjustments to the Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Single Share Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Single Share Linked Notes of any such adjustment(s) (copied to the Issuer).

3.8 ***Additional Disruption Events***

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Single Share Linked Notes as the Calculation Agent determines to be appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Single Share Linked Note at its Fair Market Value as at the date of redemption taking into account such Additional Disruption Event on such date as the Issuer shall (acting on the instructions of the Calculation Agent) notify to holders of the Single Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Single Share Linked Notes or determination pursuant to this Term to holders of the Single Share Linked Notes (copied to the Issuer).

3.9 ***Change in currency***

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Single Share Linked Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Single Share Linked Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency of denomination of the Single Share Linked Notes or of any payment obligation arising out of the Single Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any adjustments pursuant to this Term to holders of the Single Share Linked Notes (copied to the Issuer).

4. **Automatic Early Redemption**

For the purposes of the Single Share Linked Notes, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if the Calculation Agent determines that on any Automatic Early Redemption Valuation Date or during any Observation Period the Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Single Share Linked Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Final Terms) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Issuer on such date upon redemption of each Single Share Linked Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Single Share Linked Notes or determination pursuant to this Term to holders of the Single Share Linked Notes (copied to the Issuer).

5. **Early Redemption Amount on Early Redemption of Notes**

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled Maturity Date, the Issuer shall redeem each Single Share Linked Note at its Fair Market Value as at the date of redemption of the Notes on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Single Share Linked Notes or determination pursuant to this Term to holders of the Single Share Linked Notes (copied to the Issuer).

6. **Determinations by the Calculation Agent**

The Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Single Share Linked Notes in good faith and acting in a commercially reasonable manner.

SECTION II: TERMS FOR BASKET SHARE LINKED NOTES**1. Definitions**

For the purposes of the terms and conditions of the Basket Share Linked Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means a Change in Law, an Insolvency Filing, a Hedging Disruption and/or an Increased Cost of Hedging, as specified in the applicable Final Terms and as determined by the Calculation Agent;

"Automatic Early Redemption Amount" means, if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, (a) an amount specified as such in the applicable Final Terms or, if no such amount is specified, (b) an amount per Basket Share Linked Note equal to the product of (i) the Issue Price and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, all as determined by the Calculation Agent;

"Automatic Early Redemption Date(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with Term 2 (*Disrupted Days*) below;

"Automatic Early Redemption Event" means, if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, (unless otherwise specified in the applicable Final Terms) that the Price of one or more Shares (as specified in the applicable Final Terms) is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price(s), as determined by the Calculation Agent;

"Automatic Early Redemption Price(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, the Price(s) per Share specified as such or otherwise determined in the applicable Final Terms;

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date and if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, the rate specified as such in the applicable Final Terms;

"Automatic Early Redemption Valuation Date(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

"Averaging Dates" means, in respect of a Share, each of the dates set forth in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"Basket" means a basket composed of Shares in the relative proportions and/or numbers of Shares of each Share Issuer specified in the applicable Final Terms;

"Change in Law" means that, on or after the Issue Date (or as otherwise set forth in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire or dispose of any Shares, or (Y) the Issuer and/or any of its affiliates will incur a materially increased cost in holding, acquiring or disposing of any Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"Delisting" means that an Exchange announces that pursuant to its rules one or more of the Shares in the Basket has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-

traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Calculation Agent;

"Disrupted Day" means, in respect of a Share, any Scheduled Trading Day on which (i) the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred, all as determined by the Calculation Agent;

"Early Closure" means, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or such Related Exchange system for execution at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent;

"Exchange" means, in respect of a Share, the Exchange specified for such Share in the applicable Final Terms or otherwise the principal stock exchange on which such Share is, in the determination of the Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the relevant Exchange or any relevant Related Exchange closing prior to its Scheduled Closing Time, as determined by the Calculation Agent;

"Exchange Disruption" means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, such Share on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange;

"Extraordinary Dividend" means, in respect of a Share, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Calculation Agent;

"Final Share Price" means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Valuation Date or, if Averaging Dates are specified in the applicable Final Terms, the arithmetic mean of the prices of one such Share as of each Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"Final Value" means, in respect of a Basket, on any Exchange Business Day, the weighted average of the price of the Shares constituting the Basket in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Valuation Date or, if Averaging Dates are specified in the applicable Final Terms, the weighted average of the arithmetic mean of the prices of the Shares constituting the Basket as of each Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"Hedging Disruption" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk in respect of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

"Increased Cost of Hedging" means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain,

unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or any of its affiliates shall not be deemed an Increased Cost of Hedging;

"Initial Share Price" means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"Initial Value" means, in respect of a Basket, the weighted average of the prices of the Shares constituting the Basket in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"Insolvency" means, in respect of a Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer, (A) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer become legally prohibited from transferring them, all as determined by the Calculation Agent;

"Insolvency Filing" means, in respect of a Share, that the Calculation Agent determines that the relevant Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition;

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, all as determined by the Calculation Agent;

"Merger Date" means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

"Merger Event" means, in respect of one or more of the Shares in the Basket, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before the Valuation Date (or such other date as may be specified in the applicable Final Terms), all as determined by the Calculation Agent;

"Nationalisation" means that all the Shares of a Share Issuer or all or substantially all the assets of such Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof, as determined by the Calculation Agent;

"**New Shares**" means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Calculation Agent and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations, all as determined by the Calculation Agent;

"**Observation Date**" means each date, if any, specified as such in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"**Observation Period**" has the meaning given to it in the applicable Final Terms;

"**Other Consideration**" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party);

"**Potential Adjustment Event**" means any of the following: a subdivision, consolidation or reclassification of one or more of the Shares in the Basket (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue; a distribution, issue or dividend to existing holders of one or more of the Shares in the Basket of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; an Extraordinary Dividend; a call by a Share Issuer in respect of relevant Shares that are not fully paid; a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; with respect to a Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer (**provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares in the Basket, all as determined by the Calculation Agent;

"**Basket Share Linked Notes Share Currency**" means the currency in which the relevant Basket Share Linked Notes are denominated;

"**Price**" means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if "**Constant Monitoring**" is specified as being applicable in the applicable Final Terms, at any given time on such Exchange Business Day or (ii) if "**Valuation Time Only**" is specified as being applicable in the applicable Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent;

"**Related Exchange**" means, in respect of a Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share or such other options or futures exchange(s) as the Issuer shall (acting on the instructions of the Calculation Agent) select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange);

"**Scheduled Closing Time**" means, in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such

Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"**Scheduled Trading Day**" means, in respect of a Share, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions;

"**Share Currency**" has the meaning given to it in the applicable Final Terms;

"**Share Issuer**" has the meaning given to it in the applicable Final Terms;

"**Shares**" has the meaning given to it in the applicable Final Terms;

"**Strike Date**" means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"**Strike Price**" means the price (if any) specified as such in the applicable Final Terms;

"**Tender Offer**" means, in respect of any Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent);

"**Trading Disruption**" means, in respect of a Share, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange or (ii) in futures or options contracts relating to such Share on a Related Exchange, all as determined by the Calculation Agent;

"**Valuation Date**" means the date (if any) specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"**Valuation Time**" means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified in the applicable Final Terms or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant date in relation to that Share. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Term 2 (*Disrupted Days*) below) the Valuation Time shall be such actual closing time; and

"**Value**" means, in respect of a Basket, on any Exchange Business Day, the weighted average of the price of the Shares constituting the Basket in the Share Currency quoted on the relevant Exchange (i) if "**Constant Monitoring**" is specified as being applicable in the applicable Final Terms, at any given time on such Exchange Business Day or (ii) if "**Valuation Time Only**" is specified as being applicable in the applicable Final Terms, at the Valuation Time on such Exchange Business Day, (or such other definition, if any, as may be specified in the applicable Final Terms) all as determined by the Calculation Agent.

2. **Disrupted Days**

- 2.1 If the Calculation Agent determines that the Strike Date, the Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, is a Disrupted Day in respect of a Share, then the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, in respect of that Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, unless each of the eight Scheduled Trading Days immediately following the

original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date for such Share, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, for such Share notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one such Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

2.2 If any Averaging Date is a Disrupted Day, then, if the consequence specified in the applicable Final Terms in relation to "Averaging Date Market Disruption" is:

- (a) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Share Price **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Term 2.1 above will apply for purposes of determining the relevant price on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (b) "**Postponement**", then Term 2.1 above will apply for purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Basket Share Linked Notes; or
- (c) "**Modified Postponement**", then:
 - (i) the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the day specified in the applicable Final Terms as an Averaging Date in relation to the relevant Valuation Date (the "**Scheduled Averaging Date**") and the Averaging Date for a Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to the relevant Share; and (2) the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Term 2.1 above; and
 - (ii) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

Notwithstanding the provisions of any other term or condition of the Basket Share Linked Notes, if the Calculation Agent determines that a Disrupted Day has occurred on the Valuation Date and/or on any Observation Date, Automatic Early Redemption Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Maturity Date or (as the case may be) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period as specified in the applicable Final Terms) following the postponed Valuation Date, Observation Date, Automatic Early Redemption Valuation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount and/or any amount of interest in accordance with this Term 2 (*Disrupted Days*).

The Calculation Agent shall, on behalf of the Issuer, give notice to the holders of the Basket Share Linked Notes (copied to the Issuer) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Basket Share Linked Notes.

3. **Adjustments**

3.1 *Adjustments*

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on one or more of the Shares in the Basket traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the terms and conditions of the Basket Share Linked Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (**provided that** no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the relevant Shares traded on that options exchange.

The Calculation Agent shall give notice of such adjustment(s) and determinations to the Issuer and holders of the Basket Share Linked Notes.

3.2 *Consequences of a Merger Event*

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more of the Shares in the Basket, the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Basket Share Linked Note at its Fair Market Value as at the Merger Date on such date as the Issuer shall notify to holders of the Basket Share Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Basket Share Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Basket Share Linked Notes of such Merger Event (**provided that** no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares or to the Basket Share Linked Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant "**Shares**" and the relevant "**Share Issuer**", respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Basket Share Linked Notes as the Calculation Agent may determine.

The Calculation Agent shall, on behalf of the Issuer, give notice of such redemption, adjustment or deemed change to holders of the Basket Share Linked Notes (copied to the Issuer).

3.3 *Consequences of a Tender Offer*

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more of the Shares in the Basket, then on or after the relevant Tender Offer Date the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Basket Share Linked Note at its Fair Market Value as at the Tender Offer Date on such date as the Issuer (acting on the instructions of the Calculation Agent) may notify to holders of the Basket Share Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Basket Share Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Basket Share Linked Notes of such Tender Offer (**provided that** no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to

the Basket Share Linked Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment.

The Calculation Agent shall, on behalf of the Issuer, give notice of such redemption or adjustment to holders of the Basket Share Linked Notes (copied to the Issuer).

3.4 ***Nationalisation, Insolvency or Delisting***

If in respect of one or more of the Shares in the Basket or a Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a Delisting, the Issuer shall (if so instructed by the Calculation Agent) (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Basket Share Linked Notes as the Calculation Agent determines to be appropriate to account for the Nationalisation, Insolvency or Delisting, as the case may be, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Basket Share Linked Note at its Fair Market Value as at the date of redemption taking into account the Nationalisation, Insolvency or Delisting on such date as the Issuer shall (acting on the instructions of the Calculation Agent) notify to holders of the Basket Share Linked Notes.

The Calculation Agent, on behalf of the Issuer, shall give notice of any redemption of the Basket Share Linked Notes, determination or adjustment pursuant to this Term to holders of the Basket Share Linked Notes (copied to the Issuer).

3.5 ***Change of Exchange***

If an Exchange is changed, the Issuer shall (acting on the instructions of the Calculation Agent) make such consequential modifications to the Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Basket Share Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice of such modification(s) to holders of the Basket Share Linked Notes (copied to the Issuer).

3.6 ***Price Correction***

In the event that any value or level published on an Exchange and which is utilised for any calculation or determination made under the Basket Share Linked Notes is subsequently corrected and the correction is published by the relevant Exchange within three Business Days (or such other period as may be specified in the applicable Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will make such adjustments to the terms and conditions of the Basket Share Linked Notes as the Calculation Agent determines to be appropriate to account for such correction.

The Calculation Agent, on behalf of the Issuer, shall give notice of such adjustment(s) to holders of the Basket Share Linked Notes (copied to the Issuer).

3.7 ***Currency***

If the Calculation Agent determines that any event occurs affecting the Basket Share Linked Notes Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Basket Share Linked Notes (including the date on which any amount is payable by the Issuer), the Issuer shall (acting on the instructions of the Calculation Agent) make such adjustment or adjustments to the Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Basket Share Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Basket Share Linked Notes of any such adjustment(s) (copied to the Issuer).

3.8 Additional Disruption Events

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Basket Share Linked Notes as the Calculation Agent determines to be appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Basket Share Linked Note at its Fair Market Value as at the date of redemption taking into account such Additional Disruption Event on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Basket Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Share Linked Notes or determination pursuant to this Term to holders of the Basket Share Linked Notes (copied to the Issuer).

3.9 Change in currencies

If, at any time after the Issue Date, there is any change in the currency in which any Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Basket Share Linked Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Basket Share Linked Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency of denomination of the Basket Share Linked Notes or any payment obligation arising out of the Basket Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any adjustments pursuant to this Term to holders of the Basket Share Linked Notes (copied to the Issuer).

4. Automatic Early Redemption

For the purposes of the Basket Share Linked Notes, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if the Calculation Agent determines that on any Automatic Early Redemption Valuation Date or during any Observation Period the Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Basket Share Linked Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Final Terms) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Issuer on such date upon redemption of each Basket Share Linked Notes shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Share Linked Notes or determination pursuant to this Term to holders of the Basket Share Linked Notes (copied to the Issuer).

5. Early Redemption amount on Early Redemption of Notes

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled Maturity Date, the Issuer shall redeem each Basket Share Linked Notes at its Fair Market Value as at the date of redemption of the Notes on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Basket Share Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Share Linked Notes or determination pursuant to this Term to holders of the Basket Share Linked Notes (copied to the Issuer).

6. Determinations by the Calculation Agent

The Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Basket Share Linked Notes in good faith and acting in a commercially reasonable manner.

PRO FORMA FINAL TERMS FOR EQUITY-LINKED NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17 / 19].¹⁰]

[Date]

Investec Bank plc
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the [•]
£2,000,000,000 Impala Structured Notes Programme

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]¹¹

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]¹²

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances (including without limitation their own

¹⁰ To be included in respect of all issues which are to be admitted to listing. Delete 17 or 19 as appropriate. Listing Rule 19 applies to securitised derivatives. Listing Rule 17 applies to debt securities, asset-backed securities and convertible securities.

¹¹ Include this legend where a non-exempt offer of Notes is anticipated.

¹² Include this legend where a non-exempt offer of Notes is anticipated.

financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "Risk Factors" in the Base Prospectus referred to below.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [•] 2012 [and the supplemental Prospectus[es] dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as supplemented]. The Base Prospectus [and the supplements thereto] are available for viewing at and copies may be obtained during normal working hours from Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB [/ Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE]].

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing Final Terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | |
|----|---|--|
| 1. | Issuer: | Investec Bank plc |
| 2. | [(a)] Series Number: | [•] |
| | [(b)] Tranche Number: | [•] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> | |
| 3. | Specified Currency or Currencies: | [•] |
| 4. | Aggregate Nominal Amount: | |
| | [(a)] Series: | [•] |
| | [(b)] Tranche: | [•] |
| 5. | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6. | (a) Specified Denominations: | [•] |
| | (b) Calculation Amount: | [•] |
| | <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.]</i> | |
| 7. | (a) Issue Date: | [•] |
| | (b) Interest Commencement Date: | [Specify/Issue Date/Not applicable] |
| 8. | Maturity Date: | [Specify date for Floating Rate Notes only - Interest Payment Date falling in or nearest to |

- [specify month and year]] **[provided that]** if such date is not a Business Day, the Maturity Date shall be the next following Business Day]
9. Interest Basis: [[•] per cent. Fixed Rate]
- [[LIBOR/EURIBOR] +/-[•] per cent. Floating Rate]
- [Zero Coupon]
- [Dual Currency]
- [Equity-Linked]
- [Specify other]
- (further particulars specified below)
- [N.B. If the Interest Basis is linked to an underlying covered in a different Part of this Base Prospectus, include specific interest provisions from the relevant Part here. For e.g. if the Interest Basis is FX-Linked, include "FX-Linked Notes Interest Provisions" below]*
10. Redemption/Payment Basis: [Redemption at par]
- [Dual Currency]
- [Instalment]
- [Partly Paid]
- [Equity-Linked]
- [Specify other]
- [N.B. If the Final Redemption Amount is not 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.]*
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Call Option: [Applicable/Not applicable]
- [(further particulars specified below)]
13. Put Option: [Applicable/Not applicable]
- [(further particulars specified below)]
14. (a) Status of the Notes: Senior
- (b) Security Status: [Unsecured Notes/Secured Notes. The Issuer has designated the Notes as covered bonds].

- (c) [Date [Board] approval for issuance of [•]
Notes obtained:

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi - annually/quarterly/other specify] in arrear]

[If payable other than annually, consider amending Condition 4(a) (Interest on Fixed Rate Notes)]

[Condition 4(a) (Interest on Fixed Rate Notes) shall not apply. The interest payable in respect of each Note shall be calculated as follows:

- (vii) With respect to any Fixed Interest Period (defined below) for which the Bonus Condition (as defined below) is met, the amount of interest ("I") payable in relation to a Note shall be calculated as follows:

$$I = SD \times (\text{Base Rate} + \text{Bonus Rate})$$

- (viii) With respect to any Fixed Interest Period for which the Bonus Condition is **not** met, the amount of interest payable in relation to a Note shall be calculated as follows:

$$I = SD \times \text{Base Rate}$$

where:

"**Base Rate**" means [•] per cent.;

"**Bonus Averaging Date**" means, in relation to each Fixed Interest Period, the relevant Bonus Averaging End Date and each of the [specify number] of [[days]/[Scheduled Trading Days]/[Business Days]/[Exchange Business Days]/[Commodity Business Days]/[specify other]] preceding such Bonus Averaging End Date;

"**Bonus Averaging End Date**" means, in relation to each Fixed Interest Period, the date specified in the column headed "Bonus Averaging End Date" in the table below, provided that if such date is not a [[Scheduled Trading Day]/[Business

Day]/[Exchange Business Day]/[Commodity Business Day]/[specify]], the [[immediately preceding]/[specify]] [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify other]] shall be the Bonus Averaging End Date;

the "**Bonus Condition**" is deemed to be met in relation to a Fixed Interest Period if the Bonus Level in relation to such Fixed Interest Period is [above] the Initial Level;

"**Bonus Level**" means, with respect to each Fixed Interest Period, the [[daily arithmetic average]/[specify] of the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/[Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on each Bonus Averaging Date for such Fixed Interest Period;

"**Bonus Rate**" means [•] per cent.;

"**Fixed Interest Period**" means each of the periods specified in the column headed "Fixed Interest Period" in the table below;

"**Initial Level**" means the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/[Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on the [[Issue Date]/[specify]];and

"**SD**" means Specified Denomination.]

<i>Fixed Interest Period</i>		<i>Interest Payment Date</i>	<i>Bonus Averaging End Date</i>
<i>from but excluding</i>	<i>to and including</i>		
[•]	[•]	[•]	[•]

- (b) Interest Payment Date(s): [•] in each year up to and including the Maturity Date]/[Each date specified in the column headed "*Interest Payment Date*" in the table in paragraph [16](a) above]/[specify other]
[N.B. This will need to be amended in the case of long or short coupons]
- (c) Fixed Coupon Amount(s): [•] per Calculation Amount/ Not applicable]
- (d) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date following [in/on] [•]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA/ISDA) or [specify other]]
- (f) Determination Date(s): [•] [in each year]/ [Each Interest Payment Date in the table in paragraph [16](a) above]/[specify other]

[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.

N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.

N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
17. **Floating Rate Note Provisions** [Applicable/Not applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (a) Specified Period(s)/Specified Interest Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [•]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]
- (g) Screen Rate Determination: [•]
- Reference Rate: [•]
- [Either LIBOR, EURIBOR or other, although additional information is required if "other" – including fallback provisions in Clause [8.2] of the Agency Agreement]*
- Interest Determination Date(s): [•]
- [Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 system is open prior to the start of each Interest Period if EURIBOR or euro LIBOR]*

- Relevant Screen Page: [•]
[In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.]
- (h) ISDA Determination:
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (i) Margin(s): [+/-] [•] per cent. per annum
- (j) Minimum Rate of Interest: [•] per cent. per annum
- (k) Maximum Rate of Interest: [•] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ICMA/ISDA)]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360]
[30E/360]
[30E/360 (ISDA)]
[Specify other]
(See Condition 4(b) (Interest on Floating Rate Notes) for alternatives)
- (m) Determination Date: [•] [in each year]
NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA).
- (n) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
- 18. **Dual Currency Note Provisions** [Applicable/Not applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]

- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [Give name and address]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [•]
19. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Amortisation: [•] per cent. per annum
- (b) [Reference Price: [•]]
- (c) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction]
- (d) Early Redemption Amount: [Amortised Face Amount/Fair Market Value]

PROVISIONS RELATING TO REDEMPTION

20. Final Redemption Amount of each Note: [•] per Calculation Amount
21. Early Redemption Amount:
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/Final Redemption Amount/ Fair Market Value]
- (If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]*
22. Issuer Call Option [Applicable/Not applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
- [N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.]*

- (c) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): $[[\bullet]$ per Calculation Amount/Fair Market Value/*specify other*
- (d) Rounding: *[Details of rounding]*
- (e) If redeemable in part:
- (1) Minimum Redemption Amount: $[\bullet]$ per Calculation Amount
- (2) Maximum Redemption Amount: $[\bullet]$ per Calculation Amount
23. Noteholder Put Option *[Applicable/Not Applicable]*
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): $[\bullet]$
- (b) Notice period (if other than as set out in the Conditions): $[\bullet]$
- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): $[[\bullet]$ per Calculation Amount/Fair Market Value/*specify other*
- (d) Rounding: *[Details of rounding]*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: *[Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]**
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]**
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]**
- [Registered Notes: Registered Global Note ($[\bullet]$ nominal amount)]*
- [Uncertificated Registered Notes]*
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: *[Not applicable/give details]*
- [Note that this item relates to the place of payment and not Interest Period end dates to which item 16(d) relates]*

* If a Global Note is exchangeable for Definitive Notes, the Notes shall be tradable only in principal amounts of at least the Specified Denomination specified in paragraph 6 and multiples thereof.

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not applicable/*give details*]
- (b) Instalment Date(s): [Not applicable/*give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/*give details*]
29. Other final terms: [Not applicable/*give details*]
- [When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

DISTRIBUTION

30. (a) If syndicated, names [and addresses] of Managers: [Not applicable/*give names [and addresses]**]
- [*If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.*]
- (b) Date of [Subscription] Agreement: [•]
31. If non-syndicated, name [and address]* of relevant Dealer: [Not applicable/*give name [and address]**]
- [*Where the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Dealer.*]
32. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
33. U.S. Selling Restrictions: [Reg. S Compliance Category: [2];
TEFRA D/TEFRA C/TEFRA not applicable]
34. Additional selling restrictions: [Not applicable/*give details*]

TAXATION

35. Taxation: Condition 7A (*Taxation - No Gross up*) [applies/does not apply] [(*Condition 7A will apply for all issues of Notes unless specified otherwise*)]
- [Condition 7B (*Taxation - Gross Up*) [applies/does not apply]]

SECURITY

36. Security Provisions: [Applicable/Not applicable]
- [*Security Provisions will be applicable if the Notes are Secured Notes. If not applicable, delete the remaining sub-paragraphs of this paragraph*]
- (a) Whether Collateral Pool secures this Series of Notes only or this Series and other Series: [This Series only/This Series and other Series].
- (b) Date of Supplemental Trust Deed relating to the Collateral Pool securing the Notes and Series Number of first Series of Secured Notes secured thereby: Supplemental Trust Deed dated [•] securing [this Series only/Series Number [•] among others]
- (c) Eligible Collateral:
- | | Valuation Percentage | Maximum Percentage |
|--|----------------------|--------------------|
| (i) Cash in an Eligible Currency | [•]% | [•]% |
| (ii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of not more than one year | [•]% | [•]% |
| (iii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than one year but not more than 10 years | [•]% | [•]% |
| (iv) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than 10 years | [•]% | [•]% |
| (v) Negotiable senior debt obligations issued or guaranteed by any of the following entities: | [•]% | [•]% |

	Name of Entity	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(vi)	Negotiable subordinated debt obligations issued [or guaranteed] by any of the following entities:	[•]%	[•]%
	Name of Entity [and description of subordinated debt, where appropriate]	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(d)	Valuation Dates:	[•]	
(e)	Eligible Currency(ies):	[•]	
(f)	Base Currency:	[•] [NB: Base Currency should be same as Specified Denomination of the Notes]	
(g)	Minimum Transfer Amount:	[•]	
(h)	Independent Amount:	[•]	
37.	Collateral Credit-Linkage		
(a)	Whether Collateral Credit-Linkage applies to this Series of Secured Notes:	[Yes/No]	[If no, delete the remaining sub-paragraphs of this paragraph.]
(b)	If so, whether Simplified Credit-Linkages or ISDA Credit-Linkage applies:	[Simplified Credit-Linkage/ISDA Credit-Linkage]	

[The following provisions only apply where Simplified Credit-Linkage is applicable. If not, delete this sub-paragraph:]

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	Collateral Reference Entity Weighting (%)
[•]	[•]
[•]	[•]
[•]	[•]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Recovery Rate: [General Recovery Rate]/[Specific Recovery Rate] shall apply.

[The following provisions only apply where ISDA Credit-Linkage is applicable. If not, delete this sub-paragraph:]

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	[Transaction type]/[Applicable Credit Events]	Collateral Reference Entity Weighting (%)
[]:	[specify [e.g. North American Corporate] or [[Bankruptcy], [Failure to Pay], [Obligation Acceleration], [Obligation Default], [Repudiation/Moratorium], [Restructuring]]	[]
[]:	[]	[]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Credit Event Redemption Amount: For the purposes of the Credit Event Redemption Amount (but only if Final Price is applicable):

Valuation Method: [Market/Highest/specify other]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange and the listing on the Official List of the Financial Services Authority of Notes described herein pursuant to the £2,000,000,000 Impala Structured Notes Programme of Investec Bank plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[*specify the third party information*] has been extracted from [*specify source of information*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source of information*], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: By:
Duly authorised *Duly authorised*

PART B – OTHER INFORMATION

1. **LISTING**

- (i) Listing: [London]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market]] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [].] [Not applicable.]
- [Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.]*

2. **RATINGS**

- Ratings: [The long-term senior debt of the Issuer has been rated:]/[The Notes to be issued have been rated:
- [S & P*: []]
- [Moody's*: []]
- [Fitch*: []]
- [[Other]*: []]
- [*The exact legal name of the rating agency entity providing the rating should be specified-for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.]*
- [The Notes to be issued have not been rated.]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- [The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]*
- [Insert legal name(s) of particular credit rating agency/agencies] is/are established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]*
- [Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is endorsed by [insert*

legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]/

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but is/are certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]/

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA and is/are not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: []
(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii) Estimated net proceeds: []
[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

[(iii) Estimated total expenses: []
[Include breakdown of expenses]
[If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]

5. **[Fixed Rate Notes only – YIELD**

Indication of yield: []
 Calculated as *[include details of method of calculation in summary form]* on the Issue Date.
 As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

8. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

9. **OPERATIONAL INFORMATION**

- (i) ISIN Code: []
- (ii) [SEDOL Code:] []
- (iii) Common Code: []
- (iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): []
- (v) Delivery: []
- (vi) Settlement procedures: []
- (vii) Additional Paying Agent(s) (if any): []
- (viii) Common Depositary: []
- (ix) Calculation Agent: []
 - is Calculation Agent to make calculations? []
 - if not, identify calculation agent: []
- (x) Other relevant General Terms and Conditions: []
- (xi) Other Final Terms: []

10. **TERMS AND CONDITIONS OF THE OFFER**

- (i) Offer Price: []
- (ii) Offer Period: []
- (iii) Conditions to which the offer is subject: []

- (iv) Description of the application process: []
- (v) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: []
- (vi) Details of the minimum and/or maximum amount of application: []
- (vii) Details of the method and time limits for paying up and delivering the Notes: []
- (viii) Manner in and date on which results of the offer are to be made public: []
- (ix) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: []
- (x) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: []
- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: []
- (xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: []
- (xiii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: []

ANNEX A

1. Redemption Price: [•] [*Insert methodology for calculation of Redemption Price (as applicable)*]
2. Type of Equity-Linked Notes: [Single Share Linked Notes] [Basket Share Linked Notes]

SINGLE SHARE LINKED NOTES PROVISIONS

3. [*The following apply to Equity-Linked Notes that are Single Share Linked Notes only:*]

- (i) Additional Disruption Events: [Change in Law] [Insolvency Filing] [Hedging Disruption] [Increased Cost of Hedging]
- (ii) Automatic Early Redemption: [Applicable/Not applicable]
- [If not applicable, delete the automatic early redemption provisions which follow]*
- Automatic Early Redemption Amount: [*specify or delete if N/A*]
 - Automatic Early Redemption Date(s): [*specify date(s) or delete if N/A*]
[If Equity-Linked Notes may be redeemed as a result of an Automatic Early Redemption Event during an Observation Period, then specify if redemption is not to take place five Business Days after the Automatic Early Redemption Event]
 - Automatic Early Redemption Event: [greater than/ greater than or equal to/ less than/ less than or equal to/ other-specify] [*complete as appropriate*]
 - Automatic Early Redemption Price: [*specify or delete if N/A*]
 - Automatic Early Redemption Rate: [*specify or delete if N/A*]
 - Automatic Early Redemption Valuation Date(s): [*specify date(s) or delete if N/A*]
- (iii) Averaging Dates: [*specify date(s) or delete if N/A*]
- (iv) Averaging Date Market Disruption: [Omission] [Postponement] [Modified Postponement] [*delete if N/A*]
- (v) Barrier Level: [*specify as* [[•] *per cent. of Initial Share Price*] *or delete if N/A*]
- (vi) Business Day: [*specify as* [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET2 Business Day].

- (vii) Constant Monitoring: *[specify as applicable and delete "Valuation Time Only" below or delete if N/A]*
- (viii) Exchange: *[specify]*
- (ix) Final Share Price: *[specify or state if N/A]*
- (x) Initial Share Price: *[specify or state if N/A]*
- (xi) Observation Date(s): *[specify or delete if N/A]*
- (xii) Observation Period: *[specify as [the period from and including the Issue Date, Strike Date or [•] to and including the Valuation Date or [•]] or delete if N/A]*
- (xiii) Share Currency: *[specify]*
- (xiv) Share Issuer(s): *[specify]*
- (xv) Shares: *[name and short description of type of shares] issued by the Share Issuer (ISIN: [•]).*
- (xvi) Strike Date: *[specify or delete if N/A]*
- (xvii) Strike Price: *[specify or delete if N/A]*
- (xviii) Valuation Date: *[specify date or delete if N/A]*
- (xix) Valuation Time: *[specify]*
- (xx) Valuation Time Only: *[specify as applicable and delete "Constant Monitoring" above or delete if N/A]*
- [Insert any other relevant terms]*

BASKET SHARE LINKED NOTES PROVISIONS

4. *[The following apply to Equity-Linked Notes linked to a Basket of Shares only:]*

- (i) Additional Disruption Events: *[Change in Law] [Insolvency Filing] [Hedging Disruption] [Increased Cost of Hedging]*
- (ii) Automatic Early Redemption: *[Applicable/ Not applicable]*
- [If not applicable, delete the automatic early redemption provisions which follow]*
- Automatic Early Redemption Amount: *[specify or delete if N/A]*
 - Automatic Early Redemption Date(s): *[specify date(s) or delete if N/A]*
- [If Equity-Linked Notes may be redeemed as a result of an Automatic Early Redemption Event during an Observation Period, then specify if redemption is not to take place five Business Days after the Automatic Early Redemption Event]*

- Automatic Early Redemption Event: [specify whether the Automatic Early Redemption Event is triggered by the Price of one or more Shares in the Basket; specify the applicable Share(s)]
[greater than/ greater than or equal to/ less than/ less than or equal to/ other-specify]
[complete as appropriate]
 - Automatic Early Redemption Price(s): [specify or delete if N/A]
 - Automatic Early Redemption Rate: [specify or delete if N/A]
 - Automatic Early Redemption Valuation Date(s): [specify date(s) or delete if N/A]
- (iii) Averaging Dates: [specify date(s) or delete if N/A]
- (iv) Averaging Date Market Disruption: [Omission] [Postponement] [Modified Postponement] [delete if N/A]
- (v) Barrier Level: [specify as [[•] per cent. of Initial Value] or delete if N/A]

"Basket" means a basket composed of Shares in the relative weighting of each Share Issuer specified below:

Name and short description of Shares (including ISIN Number)	Share Issuer	Number of Shares	Exchange	Weighting

[Replicate the details in respect of each Share in the Basket:]

- (vi) Best of n Shares [Applicable/ Not applicable]
[If applicable, specify the methodology for determining the Best of n Shares:

$$\left[\max_{i=1 \text{ to } n} \left(\frac{Price_i}{Initial \text{ Share Price}_i} \right) \right]$$
[other]]]
- (vii) Worst of n Shares [Applicable/ Not applicable]
[If applicable, specify the methodology for determining the Worst of n Shares:

$$\left[\max_{i=1 \text{ to } n} \left(\frac{Price_i}{Initial \text{ Share Price}_i} \right) \right]$$

[other]]

- (viii) Business Day: *[specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] and (ii) which is a TARGET2 Business Day].*
 - (ix) Constant Monitoring: *[specify as applicable and delete "Valuation Time Only" below or delete if N/A]*
 - (x) Exchange: *[specify]*
 - (xi) Final Share Price: *[specify methodology for calculation or state if N/A]*
 - (xii) Initial Share Price: *[specify or state if N/A]*
 - (xiii) Observation Date(s): *[specify or delete if N/A]*
 - (xiv) Observation Period: *[specify as [the period from and including the Issue Date, Strike Date or [•] to and including the Valuation Date or [•]] or delete if N/A]*
 - (xv) Share Currency: *[specify]*
 - (xvi) Strike Date: *[specify or delete if N/A]*
 - (xvii) Strike Price: *[specify or delete if N/A]*
 - (xviii) Valuation Date: *[specify date or delete if N/A]*
 - (xix) Valuation Time: *[specify]*
- [Insert any other relevant terms]]
- (xx) Valuation Time Only: *[specify as applicable and delete "Constant Monitoring" above or delete if N/A]*

SECTION III: TERMS FOR SINGLE INDEX LINKED NOTES**1. Definitions**

For the purposes of the terms and conditions of the Single Index Linked Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means a Hedging Disruption and/or an Increased Cost of Hedging, as specified in the applicable Final Terms and as determined by the Calculation Agent;

"Automatic Early Redemption Amount" means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, (a) an amount specified as such in the applicable Final Terms or, if no such amount is specified, (b) an amount per Single Index Linked Note equal to the product of (i) the Issue Price and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, all as determined by the Calculation Agent;

"Automatic Early Redemption Date(s)" means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with Term 2 (*Disrupted Days*) below;

"Automatic Early Redemption Event" means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, (unless otherwise specified in the applicable Final Terms) that the Index Level is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level, as determined by the Calculation Agent;

"Automatic Early Redemption Level" means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, the Index Level specified as such or otherwise determined in the applicable Final Terms;

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date and if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, the rate specified as such in the applicable Final Terms;

"Automatic Early Redemption Valuation Date(s)" means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

"Averaging Dates" means, each of the dates set forth in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"Disrupted Day" means any Scheduled Trading Day on which (i) if "**Multi-Exchange Index**" is specified in the applicable Final Terms, the Index Sponsor fails to publish the level of the Index or, if "**Non Multi-Exchange Index**" is specified in the applicable Final Terms, the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred, all as determined by the Calculation Agent;

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange(s) or Related Exchange(s), if any, prior to its/their Scheduled Closing Time unless such earlier closing time is announced by the relevant Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent;

"**Exchange(s)**" means, if "**Non Multi-Exchange Index**" is specified in the applicable Final Terms, the Exchange specified in the applicable Final Terms or, if "**Multi-Exchange Index**" is specified in the applicable Final Terms, in respect of any securities comprised in the Index, the stock exchanges (from time to time) on which in the determination of the Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the Index has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding such relevant Exchange or any such relevant Related Exchange closing prior to its Scheduled Closing Time, as determined by the Calculation Agent;

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, if "**Multi-Exchange Index**" is specified in the applicable Final Terms, any security comprised in the Index on any relevant Exchange or, if "**Non Multi-Exchange Index**" is specified in the applicable Final Terms, securities that comprise 20 per cent. or more of the level of the Index on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange;

"**Final Index Level**" means, unless otherwise specified in the applicable Final Terms, the level of the relevant Index, as calculated and published by the Index Sponsor, at the Valuation Time on the Valuation Date or, if Averaging Dates are specified in the applicable Final Terms, the arithmetic mean of the levels of the Index at the Valuation Time on each Averaging Date, as determined by the Calculation Agent;

"**Hedging Disruption**" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity/index price risk in respect of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

"**Increased Cost of Hedging**" means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity/index price risk of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or any of its affiliates shall not be deemed an Increased Cost of Hedging;

"**Index**" means the index specified in the applicable Final Terms, or any Successor Index;

"**Index Cancellation**" means the Index Sponsor cancels the Index and no Successor Index exists;

"**Index Disruption**" means the Index Sponsor fails to calculate and announce the Index Level;

"**Index Level**" means, on any relevant Scheduled Trading Day, the level of the Index, as calculated and published by the Index Sponsor, (i) if "**Constant Monitoring**" is specified as being applicable in the applicable Final Terms, at any given time on such Scheduled Trading Day or (ii) if "**Official Closing Level Only**" is specified as being applicable in the applicable Final Terms, the official closing level of the Index on such Scheduled Trading Day;

"**Index Modification**" means the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalisation and other routine events);

"Index Sponsor" means either (x) the index sponsor specified in the applicable Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the applicable Final Terms, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person;

"Initial Index Level" means, unless otherwise specified in the applicable Final Terms, the level of the Index on the Strike Date, as calculated and published by the Index Sponsor, as determined by the Calculation Agent and specified in the applicable Final Terms;

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, **provided that**, if **"Multi-Exchange Index"** is specified in the applicable Final Terms, the securities comprised in the Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent, all as determined by the Calculation Agent;

"Observation Date" means each date, if any, specified as such in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"Observation Period" has the meaning given to it in the applicable Final Terms;

"Single Index Linked Notes Currency" means the currency in which the relevant Single Index Linked Notes are denominated;

"Related Exchange" means each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index, or such other options or futures exchange(s) as the Issuer shall (acting on the instructions of the Calculation Agent) select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange);

"Scheduled Closing Time" means in respect of the relevant Exchange(s) or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the relevant Exchange(s) or such Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"Scheduled Trading Day" means (i) if **"Multi-Exchange Index"** is specified in the applicable Final Terms, any day on which the Index Sponsor is scheduled to publish the level of the Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if **"Non Multi-Exchange Index"** is specified in the applicable Final Terms, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session;

"Strike Date" means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"Strike Price" means the price (if any) specified as such in the applicable Final Terms;

"Successor Index" means where the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, such successor index or index calculated and announced by the successor sponsor;

"Trading Disruption" means any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or the relevant Related Exchange or otherwise (i) if **"Multi-Exchange Index"** is specified in the applicable Final Terms, on any relevant Exchange(s) relating to any security comprised in the Index or, if **"Non Multi-Exchange Index"** is specified in the applicable Final Terms, on the Exchange relating to securities that comprise 20 per cent. or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on a Related Exchange, all as determined by the Calculation Agent;

"Valuation Date" means the date (if any) specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below; and

"Valuation Time" means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified in the applicable Final Terms or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant date. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Term 2 (*Disrupted Days*) below) the Valuation Time shall be such actual closing time.

2. **Disrupted Days**

2.1 If the Calculation Agent determines that the Strike Date, the Valuation Date, any Averaging Date, any Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, in respect of the Index is a Disrupted Day, then the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, in respect of the Index, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the Index Level on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange-traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

- 2.2 If any Averaging Date is a Disrupted Day, then, if the consequence specified in the applicable Final Terms in relation to "Averaging Date Market Disruption" is:
- (a) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the Underlying Asset Level or Final Index Level **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Term 2.1 above will apply for purposes of determining the relevant level on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
 - (b) "**Postponement**", then Term 2.1 above will apply for purposes of determining the relevant level on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Single Index Linked Notes; or
 - (c) "**Modified Postponement**", then:
 - (i) the Averaging Date shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index; and (2) the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Term 2.1 above; and
 - (ii) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

Notwithstanding the provisions of any other term or condition of the Single Index Linked Notes, if the Calculation Agent determines that a Disrupted Day has occurred on the Valuation Date and/or any Observation Date, Automatic Early Redemption Valuation Date, Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Maturity Date or (as the case may be) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period specified in the applicable Final Terms) following the postponed Valuation Date, Observation Date, Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount in accordance with this Term 2 (*Disrupted Days*).

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Single Index Linked Notes (copied to the Issuer) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Single Index Linked Notes.

3. **Adjustments, Consequences of Certain Events and Currency**

3.1 ***Index Modification, Index Cancellation and/or Index Disruption***

If the Calculation Agent determines that an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Redemption Price and/or any other relevant term of the Single Index Linked Notes, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) redeem each Single Index Linked Note at its Fair Market Value on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Index Linked Notes; and/or (ii) make any adjustment or adjustments to the Redemption Price and/or any other relevant term of the Single Index Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Single Index Linked Notes of any such adjustment or redemption (copied to the Issuer).

3.2 ***Change of Exchange***

If an Exchange is changed, the Issuer shall (acting on the instructions of the Calculation Agent) make such consequential modifications to any of the Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Single Index Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice of such modification(s) to holders of the Single Index Linked Notes (copied to the Issuer).

3.3 ***Price Correction***

In the event that any value or level published on the relevant Exchange(s) or by the Index Sponsor and which is utilised for any calculation or determination made under the Single Index Linked Notes is subsequently corrected and the correction is published by the relevant Exchange(s) or Index Sponsor(s) within three Business Days (or such other period specified in the applicable Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will make any such adjustments to the terms and conditions of the Single Index Linked Notes as the Calculation Agent determines to be appropriate to account for such correction.

The Calculation Agent, on behalf of the Issuer, shall give notice of such adjustment(s) to holders of the Single Index Linked Notes (copied to the Issuer).

3.4 ***Currency***

If the Calculation Agent determines that any event occurs affecting the Single Index Linked Notes Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Single Index Linked Notes (including the date on which any amount is payable by the Issuer), the Issuer shall (acting on the instructions of the Calculation Agent) make such adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Single Index Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent shall, on behalf of the Issuer, give notice of any adjustments pursuant to this Term to holders of the Single Index Linked Notes (copied to the Issuer).

3.5 ***Additional Disruption Event***

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Single Index Linked Notes as the Calculation Agent determines to be appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Single Index Linked Note at its Fair Market Value as at the date of redemption taking into account such Additional Disruption Event on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Index Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Single Index Linked Notes or determination pursuant to this Term to holders of the Single Index Linked Notes (copied to the Issuer).

4. ***Automatic Early Redemption***

For the purposes of the Single Index Linked Notes, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if the Calculation Agent determines that on any Automatic Early Redemption Valuation Date or during any

Observation Period the Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Single Index Linked Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Final Terms) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Issuer on such date upon redemption of each Single Index Linked Notes shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Single Index Linked Notes or determination pursuant to this Term to holders of the Single Index Linked Notes (copied to the Issuer).

5. Early Redemption amount on Early Redemption of Notes

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled Maturity Date, the Issuer shall redeem each Single Index Linked Note at its Fair Market Value as at the date of redemption of the Notes on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Single Index Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Single Index Linked Notes or determination pursuant to this Term to holders of the Single Index Linked Notes (copied to the Issuer).

6. Determinations by the Calculation Agent

The Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Single Index Linked Notes in good faith and acting in a commercially reasonable manner.

SECTION IV: TERMS FOR BASKET INDEX LINKED NOTES**1. Definitions**

For the purposes of the terms and conditions of the Basket Index Linked Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means a Hedging Disruption and/or an Increased Cost of Hedging, as specified in the applicable Final Terms and as determined by the Calculation Agent;

"Automatic Early Redemption Amount" means, if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, (a) an amount specified as such in the applicable Final Terms or, if no such amount is specified, (b) an amount per Basket Index Linked Note equal to the product of (i) the Issue Price and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, all as determined by the Calculation Agent;

"Automatic Early Redemption Date(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with Term 2 (*Disrupted Days*) below;

"Automatic Early Redemption Event" means, if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, (unless otherwise specified in the applicable Final Terms) that the Index Level of one or more Indices (as specified in the applicable Final Terms) is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level(s), as determined by the Calculation Agent;

"Automatic Early Redemption Level(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, the Index Level(s) specified as such or otherwise determined in the applicable Final Terms;

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date and if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, the rate specified as such in the applicable Final Terms;

"Automatic Early Redemption Valuation Date(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with Term 2 (*Disrupted Days*) below;

"Averaging Dates" means, in respect of an Index, each of the dates set forth in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day in respect of the relevant Index, the next following Scheduled Trading Day in respect of that Index, in each case subject to Term 2 (*Disrupted Days*) below;

"Basket" means a basket composed of the Indices specified in the applicable Final Terms;

"Disrupted Day" means, in respect of an Index, any Scheduled Trading Day on which (i) if **"Multi-Exchange Index"** is specified in the applicable Final Terms, the relevant Index Sponsor fails to publish the level of the relevant Index or, if **"Non Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms, the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred, all as determined by the Calculation Agent;

"Early Closure" means, in respect of an Index, the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent;

"**Exchange(s)**" means, in respect of an Index, if "**Non Multi-Exchange Index**" is specified in relation to that Index in the applicable Final Terms, the Exchange specified for such Index in the applicable Final Terms and, if "**Multi-Exchange Index**" is specified in relation to that Index in the applicable Final Terms, in respect of any securities comprised in such Index, the stock exchanges (from time to time) on which in the determination of the Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the relevant Index has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means, in respect of an Index, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time, as determined by the Calculation Agent;

"**Exchange Disruption**" means, in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, (x) if "**Multi-Exchange Index**" is specified in relation to that Index in the applicable Final Terms any security comprised in such Index on any relevant Exchange and (y) if "**Non Multi-Exchange Index**" is specified in relation to that Index in the applicable Final Terms, securities that comprise 20 per cent. or more of the level of such Index on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange;

"**Final Index Level**" means, unless otherwise specified in the applicable Final Terms, the weighted average of the levels of the relevant Indices comprising the Basket, each as calculated and published by the relevant Index Sponsor, as of the Valuation Time on the Valuation Date or, if Averaging Dates are specified in the applicable Final Terms, the weighted average of the arithmetic mean of the levels of the relevant Indices comprising the Basket, each as calculated and published by the relevant Index Sponsor, as of each relevant Valuation Time on each relevant Averaging Date (or such other definition, if any, as may be specified in the applicable Final Terms), as determined by the Calculation Agent;

"**Hedging Disruption**" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity/index price risk in respect of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

"**Increased Cost of Hedging**" means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity/index price risk of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or any of its affiliates shall not be deemed an Increased Cost of Hedging;

"**Index**" means one of the indices specified in the definition of Basket or any Successor Index, and "**Indices**" means all such indices together;

"**Index Cancellation**" means, in respect of an Index, the Index Sponsor in respect of such Index cancels the Index and no Successor Index exists;

"**Index Disruption**" means, in respect of an Index, the Index Sponsor in respect of such Index fails to calculate and announce the Index Level;

"**Index Level**" means, in respect of an Index, on any relevant Scheduled Trading Day, the level of the Index, as calculated and published by the Index Sponsor, (i) if "**Constant Monitoring**" is specified as being applicable in the applicable Final Terms, at any given time on such Scheduled Trading Day or (ii) if

"Official Closing Level Only" is specified as being applicable in the applicable Final Terms, the official closing level of the Index on such Scheduled Trading Day;

"Index Modification" means, in respect of an Index, the relevant Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating such Index or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in constituent securities and capitalisation and other routine events);

"Index Sponsor" means, in respect of an Index, either (x) the index sponsor specified in the applicable Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the applicable Final Terms, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person;

"Initial Index Level" means, unless otherwise specified in the applicable Final Terms, the weighted average of the levels of the relevant Indices comprising the Basket as of the Strike Date, each as calculated and published by the relevant Index Sponsor, as determined by the Calculation Agent and specified in the applicable Final Terms;

"Market Disruption Event" means, in respect of an Index, the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, **provided that**, if **"Multi-Exchange Index"** is specified in relation to that Index in the applicable Final Terms, the securities comprised in the relevant Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of such Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that security and (y) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent, all as determined by the Calculation Agent;

"Observation Date" means, in respect of an Index, each date, if any, specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day in respect of such Index, the next following such Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"Observation Period" has the meaning given to it in the applicable Final Terms;

"Basket Index Linked Notes Currency" means the currency in which the relevant Basket Index Linked Notes are denominated;

"Related Exchange" means, in respect of an Index, each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the relevant Index on such temporary substitute exchange or quotation system as on the original Related Exchange);

"Scheduled Closing Time" means in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or such Related Exchange on such

Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

"**Scheduled Trading Day**" means, in respect of an Index, (i) if "**Multi-Exchange Index**" is specified in relation to that Index in the applicable Final Terms, any day on which the relevant Index Sponsor is scheduled to publish the level of such Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if "**Non Multi-Exchange Index**" is specified in relation to that Index in the applicable Final Terms, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session;

"**Strike Date**" means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below;

"**Strike Price**" means the price (if any) specified as such in the applicable Final Terms;

"**Successor Index**" means, in respect of an Index, where such Index is (i) not calculated and announced by the relevant Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index, such successor index or index calculated and announced by the successor sponsor;

"**Trading Disruption**" means, in respect of an Index, any suspension of or limitation imposed on trading by a relevant Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or relevant Related Exchange or otherwise (i) if "**Multi-Exchange Index**" is specified in relation to that Index in the applicable Final Terms, on any relevant Exchange(s) relating to any security comprised in the relevant Index or, if "**Non Multi-Exchange Index**" is specified in relation to that Index in the applicable Final Terms, on the Exchange relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange, all as determined by the Calculation Agent;

"**Valuation Date**" means the date (if any) specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Term 2 (*Disrupted Days*) below; and

"**Valuation Time**" means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified in the applicable Final Terms or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant date. If a relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Term 2 (*Disrupted Days*) below) the Valuation Time shall be such actual closing time.

2. **Disrupted Days**

2.1 If the Calculation Agent determines that the Strike Date, the Valuation Date, any Averaging Date, any Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, is a Disrupted Day in respect of an Index, then the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, for such Index shall be the first succeeding Scheduled Trading Day in respect of such Index that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, is a Disrupted Day for such Index. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, for such Index, notwithstanding the fact that such day is a Disrupted Day; and

- (b) the Calculation Agent shall determine the Index Level of such Index on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the relevant Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).
- 2.2 If any Averaging Date is a Disrupted Day, then, if the consequence specified in the applicable Final Terms in relation to "Averaging Date Market Disruption" is:
- (a) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Index Level or Final Index Level **provided that**, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then Term 2.1 above will apply for purposes of determining the relevant level on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (b) "**Postponement**", then Term 2.1 above will apply for purposes of determining the relevant level on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Basket Index Linked Notes; or
- (c) "**Modified Postponement**", then:
- (i) the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the day specified in the applicable Final Terms as an Averaging Date in relation to the relevant Valuation Date (the "**Scheduled Averaging Date**") and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index; and (2) the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with Term 2.1 above; and
- (ii) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

Notwithstanding the provisions of any other term or condition of the Basket Index Linked Notes, if the Calculation Agent determines that a Disrupted Day has occurred in respect of an Index on the Valuation Date and/or any Observation Date, Automatic Early Redemption Valuation Date, Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Maturity Date or (as the case may be) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period specified in the applicable Final Terms) following the postponed Valuation Date, Observation Date, Automatic Early Redemption Valuation Date, Valuation Date or Averaging Date, as the case may be, in respect of the Indices. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount in accordance with this Term 2 (*Disrupted Days*).

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Basket Index Linked Notes (copied to the Issuer) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Basket Index Linked Notes.

3. Adjustments, Consequences of Certain Events and Currency

3.1 *Index Modification, Index Cancellation and/or Index Disruption*

If the Calculation Agent determines that, in respect of any Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Redemption Price and/or any other relevant term of the Basket Index Linked Notes, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) redeem each Basket Index Linked Note at its Fair Market Value on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Basket Index Linked Notes; and/or (ii) make any adjustment or adjustments to the Redemption Price and/or any other relevant term of the Basket Index Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Basket Index Linked Notes of any such adjustment or redemption (copied to the Issuer).

3.2 *Change of Exchange*

If an Exchange is changed, the Issuer shall (acting on the instructions of the Calculation Agent) make such consequential modifications to the Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Basket Index Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice of such modification(s) to holders of the Basket Index Linked Notes (copied to the Issuer).

3.3 *Price Correction*

In the event that any value or level published on any relevant Exchange or by any relevant Index Sponsor in respect of an Index and which is utilised for any calculation or determination made under the Basket Index Linked Notes is subsequently corrected and the correction is published by the relevant Exchange or the relevant Index Sponsor within three Business Days (or such other period as specified in the applicable Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will make such adjustments to the terms and conditions of the Basket Index Linked Notes as the Calculation Agent determines to be appropriate to account for such correction.

The Calculation Agent, on behalf of the Issuer, shall give notice of such adjustment(s) to holders of the Basket Index Linked Notes (copied to the Issuer).

3.4 *Currency*

If the Calculation Agent determines that any event occurs affecting the Basket Index Linked Notes Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Basket Index Linked Notes, the Issuer shall (acting on the instructions of the Calculation Agent) make such adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Basket Index Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Basket Index Linked Notes of any such adjustment (copied to the Issuer).

3.5 ***Additional Disruption Event***

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Basket Index Linked Notes as the Calculation Agent determines to be appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Basket Index Linked Note at its Fair Market Value as at the date of redemption taking into account such Additional Disruption Event on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Basket Index Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Index Linked Notes or determination pursuant to this Term to holders of the Basket Index Linked Notes (copied to the Issuer).

4. **Automatic Early Redemption**

For the purposes of the Basket Index Linked Notes, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if the Calculation Agent determines that on any Automatic Early Redemption Valuation Date or during any Observation Period the Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Basket Index Linked Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Final Terms) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Issuer on such date upon redemption of each Basket Index Linked Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Index Linked Notes or determination pursuant to this Term to holders of the Basket Index Linked Notes (copied to the Issuer).

5. **Early Redemption amount on Early Redemption of Notes**

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled Maturity Date, the Issuer shall redeem each Basket Index Linked Note at its Fair Market Value as at the date of redemption of the Notes on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Basket Index Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Index Linked Notes or determination pursuant to this Term to holders of the Basket Index Linked Notes (copied to the Issuer).

6. **Determinations by the Calculation Agent**

The Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Basket Index Linked Notes in good faith and acting in a commercially reasonable manner.

PRO FORMA FINAL TERMS FOR INDEX-LINKED NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17 / 19].¹⁴]

[Date]

Investec Bank plc
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the [•]
£2,000,000,000 Impala Structured Notes Programme

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]¹⁵

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]¹⁶

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances (including without limitation their own

¹⁴ To be included in respect of all issues which are to be admitted to listing. Delete 17 or 19 as appropriate. Listing Rule 19 applies to securitised derivatives. Listing Rule 17 applies to debt securities, asset-backed securities and convertible securities.

¹⁵ Include this legend where a non-exempt offer of Notes is anticipated.

¹⁶ Include this legend where a non-exempt offer of Notes is anticipated.

financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "Risk Factors" in the Base Prospectus referred to below.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [•] 2012 [and the supplemental Prospectus[es] dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as supplemented]. The Base Prospectus [and the supplements thereto] are available for viewing at and copies may be obtained during normal working hours from Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB [/ Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE]].

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing Final Terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | |
|----|---|--|
| 1. | Issuer: | Investec Bank plc |
| 2. | [(a)] Series Number: | [•] |
| | [(b)] Tranche Number: | [•] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> | |
| 3. | Specified Currency or Currencies: | [•] |
| 4. | Aggregate Nominal Amount: | . |
| | [(a)] Series: | [•] |
| | [(b)] Tranche: | [•] |
| 5. | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6. | (a) Specified Denominations: | [•] |
| | (b) Calculation Amount: | [•] |
| | <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.]</i> | |
| 7. | (a) Issue Date: | [•] |
| | (b) Interest Commencement Date: | [Specify/Issue Date/Not applicable] |

8. Maturity Date: *[Specify date for Floating Rate Notes only - Interest Payment Date falling in or nearest to [specify month and year]] [provided that if such date is not a Business Day, the Maturity Date shall be the next following Business Day]*
9. Interest Basis: *[[•] per cent. Fixed Rate]*
[[LIBOR/EURIBOR] +/-[•] per cent. Floating Rate]
[Zero Coupon]
[Dual Currency]
[Index-Linked]
[Specify other]
 (further particulars specified below)
[N.B. If the Interest Basis is linked to an underlying covered in a different Part of this Base Prospectus, include specific interest provisions from the relevant Part here. For e.g. if the Interest Basis is FX-Linked, include "FX-Linked Notes Interest Provisions" below]
10. Redemption/Payment Basis: *[Redemption at par]*
[Dual Currency]
[Instalment]
[Partly Paid]
[Index-Linked]
[Specify other]
[N.B. If the Final Redemption Amount is not 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.]
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Call Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
13. Put Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
14. (a) Status of the Notes: Senior
 (b) Security Status: *[Unsecured Notes/Secured Notes. The Issuer*

has designated the Notes as covered bonds].

- (c) [Date [Board] approval for issuance of Notes obtained: [•]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]

15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi - annually/quarterly/other specify] in arrear]

[If payable other than annually, consider amending Condition 4(a) (Interest on Fixed Rate Notes)]

[Condition 4(a) (Interest on Fixed Rate Notes) shall not apply. The interest payable in respect of each Note shall be calculated as follows:

- (ix) With respect to any Fixed Interest Period (defined below) for which the Bonus Condition (as defined below) is met, the amount of interest ("I") payable in relation to a Note shall be calculated as follows:

$$I = SD \times (\text{Base Rate} + \text{Bonus Rate})$$

- (x) With respect to any Fixed Interest Period for which the Bonus Condition is **not** met, the amount of interest payable in relation to a Note shall be calculated as follows:

$$I = SD \times \text{Base Rate}$$

where:

"**Base Rate**" means [•] per cent.;

"**Bonus Averaging Date**" means, in relation to each Fixed Interest Period, the relevant Bonus Averaging End Date and each of the [*specify number*] of [[days]/[Scheduled Trading Days]/[Business Days]/[Exchange Business Days]/[Commodity Business Days]/[*specify other*]] preceding such Bonus Averaging End Date;

"**Bonus Averaging End Date**" means, in relation to each Fixed Interest Period, the date specified in the column headed "Bonus

Averaging End Date" in the table below, provided that if such date is not a [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify]], the [[immediately preceding]/[specify]] [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify other]] shall be the Bonus Averaging End Date;

the "**Bonus Condition**" is deemed to be met in relation to a Fixed Interest Period if the Bonus Level in relation to such Fixed Interest Period is [above] the Initial Level;

"**Bonus Level**" means, with respect to each Fixed Interest Period, the [[daily arithmetic average]/ [specify] of the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/ [Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on each Bonus Averaging Date for such Fixed Interest Period;

"**Bonus Rate**" means [•] per cent.;

"**Fixed Interest Period**" means each of the periods specified in the column headed "Fixed Interest Period" in the table below;

"**Initial Level**" means the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/ [Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on the [[Issue Date]/[specify]];and

"**SD**" means Specified Denomination.]

<i>Fixed Interest Period</i>		<i>Interest Payment Date</i>	<i>Bonus Averaging End Date</i>
<i>from but excluding</i>	<i>to and including</i>		
[•]	[•]	[•]	[•]

- (b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]/[Each date specified in the column headed "*Interest Payment Date*" in the table in paragraph [16](a) above]/[specify other]
[N.B. This will need to be amended in the case of long or short coupons]
- (c) Fixed Coupon Amount(s): [[•] per Calculation Amount/ Not applicable]
- (d) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date following [in/on] [•]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA/ISDA) or [specify other]]

- (f) Determination Date(s): [•] [in each year]/ [Each Interest Payment Date in the table in paragraph [16](a) above]/[specify other]
- [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*
- N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.*
- N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
17. **Floating Rate Note Provisions** [Applicable/Not applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (a) Specified Period(s)/Specified Interest Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [•]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]
- (g) Screen Rate Determination: [•]
- Reference Rate: [•]
- [Either LIBOR, EURIBOR or other, although additional information is required if "other" – including fallback provisions in Clause [8.2] of the Agency Agreement]*
- Interest Determination Date(s): [•]
- [Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 system is open prior to the start of each Interest Period if*

EURIBOR or euro LIBOR]

- Relevant Screen Page: [•]

[In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.]

(h) ISDA Determination:

- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]

(i) Margin(s): [+/-] [•] per cent. per annum

(j) Minimum Rate of Interest: [•] per cent. per annum

(k) Maximum Rate of Interest: [•] per cent. per annum

(l) Day Count Fraction: [Actual/Actual (ICMA/ISDA)]

[Actual/365 (Fixed)]

[Actual/365 (Sterling)]

[Actual/360]

[30/360]

[30E/360]

[30E/360 (ISDA)]

[Specify other]

(See Condition 4(b)(Interest on Floating Rate Notes) for alternatives)

(m) Determination Date: [•] [in each year]

NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA).

(n) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]

18. **Dual Currency Note Provisions** [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

(a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]

- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [Give name and address]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [•]

19. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Amortisation: [•] per cent. per annum
- (b) [Reference Price: [•]]
- (c) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction]
- (d) Early Redemption Amount: [Amortised Face Amount/Fair Market Value]

PROVISIONS RELATING TO REDEMPTION

20. Final Redemption Amount of each Note: [•] per Calculation Amount

21. Early Redemption Amount:

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/Final Redemption Amount/Fair Market Value]

(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]

22. Issuer Call Option [Applicable/Not applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]

[N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.]

- (c) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): $[[\bullet]$ per Calculation Amount/Fair Market Value/*specify other*
- (d) Rounding: *[Details of rounding]*
- (e) If redeemable in part:
- (1) Minimum Redemption Amount: $[\bullet]$ per Calculation Amount
- (2) Maximum Redemption Amount: $[\bullet]$ per Calculation Amount
23. Noteholder Put Option *[Applicable/Not Applicable]*
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): $[\bullet]$
- (b) Notice period (if other than as set out in the Conditions): $[\bullet]$
- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): $[[\bullet]$ per Calculation Amount/Fair Market Value/*specify other*
- (d) Rounding: *[Details of rounding]*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: *[Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]**
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]**
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]**
- [Registered Notes: Registered Global Note ([\bullet] nominal amount)]*
- [Uncertificated Registered Notes]*
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: *[Not applicable/give details]*
- [Note that this item relates to the place of payment and not Interest Period end dates to which item 16(d) relates]*

* If a Global Note is exchangeable for Definitive Notes, the Notes shall be tradable only in principal amounts of at least the Specified Denomination specified in paragraph 6 and multiples thereof.

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not applicable/*give details*]
- (b) Instalment Date(s): [Not applicable/*give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/*give details*]
29. Other final terms: [Not applicable/*give details*]
- [When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

DISTRIBUTION

30. (a) If syndicated, names [and addresses] of Managers: [Not applicable/*give names [and addresses]**]
- [If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.]*
- (b) Date of [Subscription] Agreement: [•]
31. If non-syndicated, name [and address]* of relevant Dealer: [Not applicable/*give name [and address]**]
- [Where the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Dealer.]*
32. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
33. U.S. Selling Restrictions: [Reg. S Compliance Category: [2];
TEFRA D/TEFRA C/TEFRA not applicable]
34. Additional selling restrictions: [Not applicable/*give details*]

TAXATION

35. Taxation: Condition 7A (*Taxation - No Gross up*)
[applies/does not apply] [(*Condition 7A will apply for all issues of Notes unless specified otherwise*)]

[Condition 7B (*Taxation - Gross Up*)
[applies/does not apply]]

SECURITY

36. Security Provisions: [Applicable/Not applicable]

[*Security Provisions will be applicable if the Notes are Secured Notes. If not applicable, delete the remaining sub-paragraphs of this paragraph*]
- (a) Whether Collateral Pool secures this Series of Notes only or this Series and other Series: [This Series only/This Series and other Series].
- (b) Date of Supplemental Trust Deed relating to the Collateral Pool securing the Notes and Series Number of first Series of Secured Notes secured thereby: Supplemental Trust Deed dated [•] securing [this Series only/Series Number [•] among others]
- (c) Eligible Collateral:
- | | Valuation Percentage | Maximum Percentage |
|--|----------------------|--------------------|
| (i) Cash in an Eligible Currency | [•]% | [•]% |
| (ii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of not more than one year | [•]% | [•]% |
| (iii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than one year but not more than 10 years | [•]% | [•]% |
| (iv) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than 10 years | [•]% | [•]% |
| (v) Negotiable senior debt obligations issued or guaranteed by any of the following entities: | [•]% | [•]% |

	Name of Entity	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(vi)	Negotiable subordinated debt obligations issued [or guaranteed] by any of the following entities:	[•]%	[•]%
	Name of Entity [and description of subordinated debt, where appropriate]	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(d)	Valuation Dates:	[•]	
(e)	Eligible Currency(ies):	[•]	
(f)	Base Currency:	[•] [NB: Base Currency should be same as Specified Denomination of the Notes]	
(f)	Minimum Transfer Amount:	[•]	
(g)	Independent Amount:	[•]	

37. Collateral Credit-Linkage

- (a) Whether Collateral Credit-Linkage applies to this Series of Secured Notes: [Yes/No]
[If no, delete the remaining sub-paragraphs of this paragraph.]
- (b) If so, whether Simplified Credit-Linkages or ISDA Credit-Linkage applies: [Simplified Credit-Linkage/ISDA Credit-Linkage]

[The following provisions only apply where Simplified Credit-Linkage is applicable. If not, delete this sub-paragraph:]

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	Collateral Reference Entity Weighting (%)
[•]	[•]
[•]	[•]
[•]	[•]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Recovery Rate: [General Recovery Rate]/[Specific Recovery Rate] shall apply.

[The following provisions only apply where ISDA Credit-Linkage is applicable. If not, delete this sub-paragraph:]

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	[Transaction type]/[Applicable Credit Events]	Collateral Reference Entity Weighting (%)
[]:	[specify [e.g. North American Corporate] or [[Bankruptcy], [Failure to Pay], [Obligation Acceleration], [Obligation Default], [Repudiation/Moratorium], [Restructuring]]	[]
[]:	[]	[]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Credit Event Redemption Amount: For the purposes of the Credit Event Redemption Amount (but only if Final Price is applicable):

Valuation Method: [Market/Highest/specify other]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange and the listing on the Official List of the Financial Services Authority of Notes described herein pursuant to the £2,000,000,000 Impala Structured Notes Programme of Investec Bank plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[specify the third party information] has been extracted from [specify source of information]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from

information published by [*specify source of information*], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: By:
Duly authorised *Duly authorised*

PART B – OTHER INFORMATION

1. **LISTING**

- (i) Listing: [London]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market]] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [].] [Not applicable.]

[Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.]

2. **RATINGS**

Ratings: [The long-term senior debt of the Issuer has been rated:/[The Notes to be issued have been rated:

[S & P*: []]

[Moody's*: []]

[Fitch*: []]

[[Other]*: []]

*[*The exact legal name of the rating agency entity providing the rating should be specified-for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.]*

[The Notes to be issued have not been rated.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]

*[Insert legal name(s) of particular credit rating agency/agencies] is/are established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]*

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is endorsed by [insert

legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]/

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but is/are certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]/

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA and is/are not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the offer: []

(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii)] Estimated net proceeds: []

[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

[(iii)] Estimated total expenses: []

[Include breakdown of expenses]

[If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

The Issuer *[intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].*

8. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

9. **OPERATIONAL INFORMATION**

- (i) ISIN Code: []
- (ii) [SEDOL Code:] []
- (iii) Common Code: []
- (iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): []
- (v) Delivery: []
- (vi) Settlement procedures: []
- (vii) Additional Paying Agent(s) (if any): []
- (viii) Common Depositary: []
- (ix) Calculation Agent: []
- is Calculation Agent to make calculations? []
 - if not, identify calculation agent: []
- (x) Other relevant General Terms and Conditions: []
- (xi) Other Final Terms: []

10. **TERMS AND CONDITIONS OF THE OFFER**

- (i) Offer Price: []
- (ii) Offer Period: []
- (iii) Conditions to which the offer is subject: []
- (iv) Description of the application process: []
- (v) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: []

- (vi) Details of the minimum and/or maximum amount of application: []
- (vii) Details of the method and time limits for paying up and delivering the Notes: []
- (viii) Manner in and date on which results of the offer are to be made public: []
- (ix) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: []
- (x) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: []
- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: []
- (xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: []
- (xiii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: []

ANNEX A

1. Redemption Price payable on Final [•] [*Insert methodology for calculation of Redemption Price (as applicable)*]
2. Type of Index-Linked Note: [Single Index Linked Note] [Basket Index Linked Shares]

SINGLE INDEX LINKED NOTES PROVISIONS

3. [*The following apply to Index-Linked Notes linked to a single Index only:*]
- (i) Additional Disruption Events: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
- (ii) Automatic Early Redemption: [Applicable/ Not applicable]
- [*If not applicable, delete the automatic early redemption provisions which follow*]
- Automatic Early Redemption Amount: [*specify or delete if N/A*]
 - Automatic Early Redemption Date(s): [*specify date(s) or delete if N/A*]
[*If Index-Linked Notes may be redeemed as a result of an Automatic Early Redemption Event during an Observation Period, then specify if redemption is not to take place five Business Days after the Automatic Early Redemption Event*]
 - Automatic Early Redemption Event: [greater than/ greater than or equal to/ less than/ less than or equal to/ other-specify] [*complete as appropriate*]
 - Automatic Early Redemption Level: [*specify or delete if N/A*]
 - Automatic Early Redemption Rate: [*specify or delete if N/A*] [*specify date(s) or delete if N/A*]
 - Automatic Early Redemption Valuation Date(s): [*specify dates or delete if N/A*]
- (iii) Averaging Dates: [*specify dates or delete if N/A*]
- (iv) Averaging Dates Market Disruption: [Omission] [Postponement] [Modified Postponement] [*delete if N/A*]
- (v) Barrier Level: [*specify as*] [*•*] per cent. of Initial Index Level] [*or delete if N/A*]
- (vi) Business Day: [*specify as*] [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET2 Business Day]]
- (vii) Constant Monitoring: [*specify as applicable and delete "Official Closing Level Only" below or delete if N/A*]

- (viii) Exchange(s): *[specify if Non-Multi Exchange Index, otherwise no need to complete]*
- (ix) Index: *[specify]*
- (x) Index Sponsor: *[specify]*
- (xi) Initial Index Level: *[specify as [the Index Level on the Strike Date] or [•] or delete if N/A]*
- (xii) Multi-Exchange Index: *[Yes/No]*
- (xiii) Non Multi-Exchange Index: *[Yes/No]*
- (xiv) Observation Date(s): *[specify or delete if N/A]*
- (xv) Observation Period: *[specify as [the period from and including the Issue Date, Strike Date or [•] to and including the Valuation Date or [•]] or delete if N/A]*
- (xvi) Official Closing Level Only: *[specify as applicable and delete "Constant Monitoring" above or delete if N/A]*
- (xvii) Strike Date: *[specify or delete if N/A]*
- (xviii) Strike Price: *[specify or delete if N/A]*
- [Insert any other relevant terms]*
- (xix) Valuation Date: *[specify or delete if N/A]*
- (xx) Valuation Time: *[specify or delete if N/A]*
- (xxi) Valuation Time Only: *[specify as applicable and delete "Constant Monitoring" above or delete if N/A]*

BASKET INDEX LINKED NOTES PROVISIONS

4. *[The following apply to Index-Linked Notes linked to a basket of indices only: [Details to be specified in relation to each Index, where appropriate]*
- (i) Additional Disruption Events: *[Change of Law] [Hedging Disruption] [Increased Cost of Hedging]*
- (ii) Automatic Early Redemption: *[Applicable/ Not applicable]*
- [If not applicable, delete the automatic early redemption provisions which follow]*
- Automatic Early Redemption Amount: *[specify or delete if N/A]*
 - Automatic Early Redemption Date(s): *[specify date(s) or delete if N/A]*
- [If Index-Linked Notes may be redeemed as a result of an Automatic Early Redemption Event during an Observation Period, then specify if redemption is not to take place five Business Days after the Automatic Early Redemption Event]*

- Automatic Early Redemption Event: *[specify whether the Automatic Early Redemption Event is triggered by the Level of one or more Indices in the Basket; specify the applicable Index/Indices]*

[greater than/ greater than or equal to/ less than/ less than or equal to/ other-specify]

[complete as appropriate]
- Automatic Early Redemption Level(s): *[specify or delete if N/A]*
- Automatic Early Redemption Rate: *[specify or delete if N/A]*
- Automatic Early Redemption Valuation Date(s): *[specify date(s) or delete if N/A]*
- (iii) Averaging Dates: *[specify dates or delete if N/A]*
- (iv) Averaging Dates Market Disruption: *[Omission] [Postponement] [Modified Postponement] [delete if N/A]*
- (v) Barrier Level: *[specify as [[•] per cent. of Initial Index Level] or delete if N/A]*
- (vi) Basket: *[specify names of Indices and their weightings] [indicate which are Multi-Exchange Indices and which are Non Multi-Exchange Indices]*
- (vii) Business Day: *[specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET2 Business Day].*
- (viii) Constant Monitoring: *[specify as applicable and delete "Official Closing Level Only" below or delete if N/A]*
- (ix) Exchange(s): *[specify if any Non Multi-Exchange Indices, otherwise no need to complete]*
- (x) Index Sponsor: *[specify]*
- (xi) Initial Index Level: *[specify as [the Index Level on the Strike Date] or [•] or delete if N/A]*
- (xii) Observation Date(s): *[specify or delete if N/A]*
- (xiii) Observation Period: *[specify as [the period from and including the Issue Date, Strike Date or [•] to and including the Valuation Date or [•]] or delete if N/A]*
- (xiv) Official Closing Level Only: *[specify as applicable and delete "Constant Monitoring " above or delete if N/A]*
- (xv) Strike Date: *[specify or delete if N/A]*
- (xvi) Strike Price: *[specify or delete if N/A]*

[Insert any other relevant terms]]

(xvii) Valuation Date:

[specify or delete if N/A]

(xviii) Valuation Time:

[specify or delete if N/A]

(xix) Valuation Time Only:

[specify as applicable and delete "Constant Monitoring" above or delete if N/A]

PART F - INFLATION-LINKED NOTES

General Description

Under the Programme, the Issuer may from time to time issue "**Inflation-Linked Notes**", being Notes in relation to which the interest payable and/or redemption amount payable at maturity is determined by reference to one or more inflation indices, or the performance thereof over a defined period, as may be specified in the applicable Final Terms of each Series of Notes. This Part provides information in relation to such Inflation-Linked Notes, including standard terms for Inflation-Linked Notes set out below (the "**Terms**" in relation to Inflation-Linked Notes), pro-forma Final Terms and information in relation to certain types of Inflation-Linked Notes that may be issued. This Part should be read together with Part A of this Base Prospectus.

Further Information relating to certain types of Inflation-Linked Notes

Inflation-Linked Notes issued under the Programme may have a redemption amount which is linked to one or more inflation indices or the performance thereof over a defined period in accordance with the provisions set out below.

In addition, Notes may be Zero Coupon Notes, in which case they will bear no interest, or they may, among other things, be Fixed Rate Notes or Floating Rate Notes, in which case they will bear interest at a fixed rate or floating rate, as applicable, or may bear interest in an amount which is determined by reference to one or more inflation indices or the performance thereof over a defined period in accordance with the provisions set out below.

The terms and conditions of Inflation-Linked Notes may include one or any of the provisions set out below (or any combination thereof), as specified in the applicable Final Terms.

1. **YoY Inflation-Linked Notes**

A. *Further Information relating to YoY Inflation-Linked Notes*

YoY Inflation-Linked Notes are Inflation-Linked Notes which may be Fixed Rate Notes or Floating Rate Notes, in which case they will bear interest at a fixed rate or floating rate, as applicable, or may bear interest in an amount which is linked to the performance of one or more inflation indices at regular intervals throughout the life of the Notes, as specified in the applicable Final Terms.

The Final Redemption Amount of the YoY Inflation-Linked Notes will be either (a) at par; or (b) inflation-linked; as specified in the applicable Final Terms.

Only if the Interest Amount and/or the Final Redemption Amount is specified as being linked to an inflation Index, would the risks set out in Part A of the Base Prospectus in the section entitled "Risk Factors related to Inflation-Linked Notes" be applicable.

The determination of the Rate of Interest may be subject to a Minimum Rate of Interest and/or a Maximum Rate of Interest and may further be subject to a leverage factor (the "**Interest Gearing**"). The Final Terms may specify an Interest Gearing that is greater than 100 per cent., in which case, the impact of the performance of the inflation Index (to which the Rate of Interest is linked) on the Rate of Interest will be greater than a one-for-one basis, and will therefore increase the effect of the positive or negative performance, as applicable. In case of a negative performance, the investor may suffer a loss that is higher in proportion to the negative performance of the inflation Index. If the Interest Gearing is less than 100 per cent., the impact of the performance of the inflation Index (to which the Rate of Interest is linked) on the Rate of Interest will be less than a one-for-one basis, and will therefore decrease the effect of the positive or negative performance of the inflation Index, as applicable. In case of a positive performance, the investor will not receive the full impact of the positive performance of the inflation Index.

The determination of the Final Redemption Amount may be subject to a Minimum Redemption Amount and/or a Maximum Redemption Amount and may further be subject to a leverage factor (the "**Redemption Gearing**"). The Final Terms may specify a Redemption Gearing that is

greater than 100 per cent., in which case, the impact of the performance of the inflation Index (to which the Final Redemption Amount is linked) on the Final Redemption Amount will be greater than a one-for-one basis, and will therefore increase the effect of the positive or negative performance, as applicable. In case of a negative performance, the investor may suffer a loss that is higher in proportion to the negative performance of the inflation Index. If the Redemption Gearing is less than 100 per cent., the impact of the performance of the inflation Index (to which the Final Redemption Amount is linked) on the Final Redemption Amount will be less than a one-for-one basis, and will therefore decrease the effect of the positive or negative performance of the inflation Index, as applicable. In case of a positive performance, the investor will not receive the full impact of the positive performance of the inflation Index.

B. *Formulae for Rate of Interest and Final Redemption Amounts and other optional provisions relating to YoY Inflation-Linked Notes potentially to be included in Final Terms*

Interest Amount

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the Rate of Interest for any Interest Period shall be an amount determined by the Calculation Agent in accordance with the applicable formula, as follows, either:

- (1) If an Inflation-Linked interest payment based on a fixed rate of interest is specified in the applicable Final Terms:

$$[\text{Fixed Rate of Interest} \times (I_T / I_0)]$$

OR

- (2) If an Inflation-Linked interest payment is specified in the applicable Final Terms:

$$[(\text{Interest Gearing} \times ((I_T / I_{T-1}) - 1)) + \text{Margin}], \text{ subject to a Minimum Rate of Interest and/or Maximum Rate of Interest}$$

where:

"**Fixed Rate of Interest**" has the meaning given to in the applicable Final Terms;

"**Interest Gearing**" has the meaning given to in the applicable Final Terms;

"**I₀**" means Index observation level on time T_{start};

"**I_{T-1}**" means Index observation level on time T₋₁;

"**I_T**" means Index observation level for time T;

"**T**" has the meaning given to in the applicable Final Terms;

"**T_{start}**" has the meaning given to in the applicable Final Terms; and

"**T₋₁**" has the meaning given to in the applicable Final Terms

Final Redemption Amount

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date shall be an amount determined by the Calculation Agent in accordance with the applicable formula, as follows, either:

- (1) *Specified Denomination* × 100%

OR

- (2) *Specified Denomination* \times *Redemption Gearing* \times (I_F / I_0) , subject to a Minimum Redemption Amount and/or Maximum Redemption Amount

where:

"**I_F**" means Index observation level for time T_{final} ;

"**I₀**" means Index observation level on time T_{start} ;

"**Redemption Gearing**" has the meaning given to in the applicable Final Terms;

"**T_{final}**" has the meaning given to in the applicable Final Terms; and

"**T_{start}**" has the meaning given to in the applicable Final Terms.

Risk Factors in relation to the Inflation-Linked Notes

An investment in Inflation-Linked Notes involves risks. For the risks involved, please see the section entitled "*Risk Factors*" set out in Part A of the Base Prospectus and in particular the section entitled "*Risk Factors related to Inflation-Linked Notes*".

Standard Terms for Inflation-Linked Notes

The Conditions applicable to the Notes shall be supplemented by the following Terms for the Inflation-Linked Notes, unless otherwise indicated in the applicable Final Terms. The Conditions apply to all Inflation-Linked Notes and, in the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Base Prospectus, these Terms will prevail for the purposes of the Inflation-Linked Notes. In the event of any inconsistency between any of these Terms or any statement in or incorporated by reference into the Base Prospectus, and the Final Terms in relation to the Inflation-Linked Notes, the Final Terms shall prevail.

1. Definitions

For the purposes of these Terms, the following terms shall have the meanings set out below:

"**Additional Disruption Event**" means each of Change in Law and Hedging Disruption;

"**Change in Law**" means that, on or after the 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 obligation in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Inflation-Linked Notes; or
- (b) it or any of its affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Inflation-Linked Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Inflation-Linked Notes;

"**Cut-Off Date**" means, in respect of a Determination Date, three Business Days prior to such Determination Date, unless otherwise stated in the applicable Final Terms;

"**Delayed Index Level Event**" means, in respect of any Determination Date, that the relevant Index Sponsor fails to publish or announce the level of the relevant Index (the "**Relevant Level**") in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer or the Calculation Agent in respect of such Determination Date, at any time on or prior to the Cut-Off Date;

"Fair Market Value" means, in relation to any Note which is to be redeemed early, its fair market value as of the early redemption date less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes (all as determined by the Calculation Agent);

"Fallback Bond" means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

"Hedging Disruption" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge the equity price risk or any other relevant price risk, including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Inflation-Linked Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or option contract(s) or any relevant hedge positions relating to the Inflation-Linked Notes;

"Increased Cost of Hedging" means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Inflation-Linked Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its respective affiliates shall not be deemed an Increased Cost of Hedging;

"Index" or **"Indices"** means the inflation index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly;

"Index Cancellation" means a level for the relevant Index has not been published or announced for two consecutive months and/or the relevant Index Sponsor cancels the Index and/or the relevant Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists;

"Index Modification" means the relevant Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the relevant Index or in any other way materially modifies the Index;

"Index Sponsor" means the entity that publishes or announces (directly or through an agent) the level of the relevant Index which as of the Issue Date of the Inflation-Linked Notes is the index sponsor in the applicable Final Terms;

"Optional Additional Disruption Event" means Increased Cost of Hedging, if specified in the applicable Final Terms;

"Rebased Index" has the meaning given to it under Term 4 (*Adjustments*);

"Reference Month" means the calendar month for which the level of the relevant Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level was reported;

"Related Bond" means the bond specified as such in the relevant Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not applicable" is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination;

"Related Bond Redemption Event" means, if specified as applicable in the relevant Final Terms, at any time prior to the Maturity Date, (a) the Related Bond is redeemed, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity;

"Relevant Level" has the meaning given to it in the definition of Delayed Index Level Event;

"Successor Index" has the meaning given to it in under Term 3 (*Successor Index*); and

"Substitute Inflation Index Level" means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Term 2 (*Delay in Publication*).

2. Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Index has occurred with respect to any Determination Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Determination Date (the **"Substitute Inflation Index Level"**) shall be determined by the Calculation Agent (subject to Term 4.2 (*Substitute Inflation*) below), as follows:

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

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

- 2.3 otherwise in accordance with any formula specified in the relevant Final Terms,

where:

"Base Level" means the level of the relevant Index (excluding any "flash" estimates) published or announced by the relevant Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined.

"Latest Level" means the level of the relevant Index (excluding any "flash" estimates) published or announced by the relevant Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined.

"Reference Level" means the level of the relevant Index (excluding any "flash" estimates) published or announced by the relevant Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall promptly give notice to holders of the Inflation-Linked Notes (the "**Inflation-Linked Noteholders**") in accordance with Condition 13 (*Notices*) of any Substitute Inflation Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Term 2 (*Delay in Publication*) will be the definitive level for that Reference Month.

3. **Successor Index**

If the Calculation Agent determines that the level of an Index is not calculated and announced by the relevant Index Sponsor for two consecutive months and/or the relevant Index Sponsor announces that it will no longer continue to publish or announce the Index and/or the relevant Index Sponsor cancels the Index, then the Calculation Agent shall determine a successor index (a "**Successor Index**") (in lieu of any previously applicable Index) for the purposes of the Inflation-Linked Notes as follows:

- 3.1 if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a "Successor Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- 3.2 if (x) Related Bond is specified as not applicable in the Final Terms or (y) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, the relevant Index Sponsor announces that it will no longer publish or announce the Index but that it will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Index, such replacement index shall be designated a "Successor Index";
- 3.3 if no Successor Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the "Successor Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Index"; if fewer than three responses are received by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for such affected payment date, and such index will be deemed a "Successor Index"; or
- 3.4 if the Calculation Agent determines that there is no appropriate alternative index, there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Inflation-Linked Notes. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to Inflation-Linked Noteholders by the Issuer in accordance with Condition 13 (*Notices*).

4. **Adjustments**

4.1 ***Successor Index***

If a Successor Index is determined in accordance with Term 3 (*Successor Index*), the Calculation Agent may make any adjustment or adjustments (without limitation) to any amount payable under the Inflation-Linked Notes and/or any other relevant term of the Inflation-Linked Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the Inflation-Linked Noteholders of any such adjustment in accordance with Condition 13 (*Notices*).

4.2 ***Substitute Inflation***

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Term 2 (*Delay in Publication*), the Issuer may make any adjustment or adjustments (without limitation)

to (x) the Substitute Inflation Index Level determined in accordance with Term 2 (*Delay in Publication*) and/or (y) any amount payable under the Inflation-Linked Notes and/or any other relevant term of the Inflation-Linked Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Inflation-Linked Noteholders of any such adjustment in accordance with Condition 13 (*Notices*).

4.3 *Index Level Adjustment Correction*

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Term 4.5(B) (*Rebasing*) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index (HCPI), revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Inflation-Linked Noteholders of any valid revision in accordance with Condition 13 (*Notices*).
- (b) If, within 30 days of publication or at any time prior to a Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any amount payable under the Inflation-Linked Notes and/or any other relevant term of the Inflation-Linked Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Inflation-Linked Noteholders of any such adjustment and/or amount in accordance with Condition 13 (*Notices*).
- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Inflation-Linked Notes and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) request the Issuer to make any adjustment to any amount payable under the Inflation-Linked Notes and/or any other relevant term of the Inflation-Linked Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Inflation-Linked Noteholders of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with Condition 13 (*Notices*).

4.4 *Currency*

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any amount payable under the Inflation-Linked Notes, and/or any other relevant term of the Inflation-Linked Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to such amount and/or any other relevant term of the Inflation-Linked Notes as the Calculation Agent deems necessary. The Calculation Agent shall give notice to the Inflation-Linked Noteholders of any such adjustment in accordance with Condition 13 (*Notices*).

4.5 *Rebasing*

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the Relevant Level from the date of such rebasing; **provided, however, that** the Calculation Agent may make:

(A) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or

(B) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased and in each case the Issuer may make any adjustment(s) to any amount payable under the Inflation-Linked Notes and/or any other term of the Inflation-Linked Notes as the Calculation Agent may deem necessary.

If the Calculation Agent determines that neither (A) nor (B) above would produce a commercially reasonable result, the Calculation Agent may redeem each Inflation-Linked Note on a date notified by the Issuer to Inflation-Linked Noteholders in accordance with Condition 13 (*Notices*) at its Fair Market Value as determined by the Calculation Agent taking into account the rebasing. Notice of any adjustment, redemption of the Inflation-Linked Notes or determination pursuant to this paragraph shall be given to Inflation-Linked Noteholders in accordance with Condition 13 (*Notices*).

4.6 ***Index Modification***

(a) If on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred the Calculation Agent may (A) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the Index, any Relevant Level and/or any other relevant term of the Inflation-Linked Notes (including, without limitation, any amount payable under the Inflation-Linked Notes), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred make only those adjustments to the relevant Index, any Relevant Level and/or any other term of the Inflation-Linked Notes (including, without limitation, any amount payable under the Inflation-Linked Notes), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.

(b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either (i) to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of sub-paragraph (a) above will apply, or, (ii) notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with sub-paragraph (a) above.

4.7 ***Consequences of an Additional Disruption Event or an Optional Additional Disruption Event***

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event has occurred, the Issuer may redeem each Inflation-Linked Note on the date notified by the Issuer to Inflation-Linked Noteholders in accordance with Condition 13 (*Notices*) at its Fair Market Value taking into account the relevant Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be. Notice of any redemption of the Inflation-Linked Notes shall be given to Inflation-Linked Noteholders in accordance with Condition 13 (*Notices*).

4.8 ***Index Cancellation***

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Inflation-Linked Note on the date notified by the Issuer to Inflation-Linked Noteholders in accordance with Condition 13 (*Notices*) at its Fair Market Value taking into

account the Index Cancellation. Notice of any redemption of the Inflation-Linked Notes pursuant to this paragraph shall be given to Inflation-Linked Noteholders in accordance with Condition 13 (*Notices*).

Pro forma Final Terms in relation to the Inflation-Linked Notes

Set out below is the form of Final Terms which will be completed for each Series of Inflation-Linked Notes issued under the Programme.

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17 / 19].^{18]}

[Date]

Investec Bank plc
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the [•]
£2,000,000,000 Impala Structured Notes Programme

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).^{19]}

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).^{20]}

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering the

¹⁸ To be included in respect of all issues which are to be admitted to listing. Delete 17 or 19 as appropriate. Listing Rule 19 applies to securitised derivatives. Listing Rule 17 applies to debt securities, asset-backed securities and convertible securities.

¹⁹ Include this legend where a non-exempt offer of Notes is anticipated.

²⁰ Include this legend where a non-exempt offer of Notes is anticipated.

suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "Risk Factors" in the Base Prospectus referred to below.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [•] 2012 [and the supplemental Prospectus[es] dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as supplemented]. The Base Prospectus [and the supplements thereto] are available for viewing at and copies may be obtained during normal working hours from Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB [/ Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE]].

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When completing Final Terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | |
|----|---|--|
| 1. | Issuer: | Investec Bank plc |
| 2. | [(a)] Series Number: | [•] |
| | [(b)] Tranche Number: | [•] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> | |
| 3. | Specified Currency or Currencies: | [•] |
| 4. | Aggregate Nominal Amount: | |
| | [(a)] Series: | [•] |
| | [(b)] Tranche: | [•] |
| 5. | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6. | (a) Specified Denominations: | [•] |
| | (b) Calculation Amount: | [•] |
| | <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.]</i> | |
| 7. | (a) Issue Date: | [•] |
| | (b) Interest Commencement Date: | [Specify/Issue Date/Not applicable] |

8. Maturity Date: *[Specify date for Floating Rate Notes only - Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: *[[•] per cent. Fixed Rate]*
[[LIBOR/EURIBOR] +/-[•] per cent. Floating Rate]
[Zero Coupon]
[Dual Currency]
[Inflation Linked]
[Specify other]
 (further particulars specified below)
[N.B. If the Interest Basis is linked to an underlying covered in a different Part of this Base Prospectus, include specific interest provisions from the relevant Part here. For e.g. if the Interest Basis is FX-Linked, include "FX-Linked Notes Interest Provisions" below]
10. Redemption/Payment Basis: *[Redemption at par]*
[Dual Currency]
[Inflation Linked]
[Instalment]
[Partly Paid]
[Specify other]
[N.B. If the Final Redemption Amount is not 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.]
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Call Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
13. Put Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
14. (a) Status of the Notes: Senior
 (b) Security Status: *[Unsecured Notes/Secured Notes. The Issuer has designated the Notes as covered bonds].*

- (c) [Date [Board] approval for issuance of Notes obtained: [•]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi - annually/quarterly/other specify] in arrear]

[If payable other than annually, consider amending Condition 4(a) (Interest on Fixed Rate Notes)]

[Condition 4(a) (Interest on Fixed Rate Notes) shall not apply. The interest payable in respect of each Note shall be calculated as follows:

- (xi) With respect to any Fixed Interest Period (defined below) for which the Bonus Condition (as defined below) is met, the amount of interest ("I") payable in relation to a Note shall be calculated as follows:

$$I = SD \times (\text{Base Rate} + \text{Bonus Rate})$$

- (xii) With respect to any Fixed Interest Period for which the Bonus Condition is **not** met, the amount of interest payable in relation to a Note shall be calculated as follows:

$$I = SD \times \text{Base Rate}$$

where:

"**Base Rate**" means [•] per cent.;

"**Bonus Averaging Date**" means, in relation to each Fixed Interest Period, the relevant Bonus Averaging End Date and each of the [specify number] of [[days]/[Scheduled Trading Days]/[Business Days]/[Exchange Business Days]/[Commodity Business Days]/[specify other]] preceding such Bonus Averaging End Date;

"**Bonus Averaging End Date**" means, in relation to each Fixed Interest Period, the date specified in the column headed "Bonus Averaging End Date" in the table below, provided that if such date is not a [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify]], the [[immediately

preceding)/[specify]] [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify other]] shall be the Bonus Averaging End Date;

the "**Bonus Condition**" is deemed to be met in relation to a Fixed Interest Period if the Bonus Level in relation to such Fixed Interest Period is [above] the Initial Level;

"**Bonus Level**" means, with respect to each Fixed Interest Period, the [[daily arithmetic average]/[specify] of the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/[Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on each Bonus Averaging Date for such Fixed Interest Period;

"**Bonus Rate**" means [•] per cent.;

"**Fixed Interest Period**" means each of the periods specified in the column headed "Fixed Interest Period" in the table below;

"**Initial Level**" means the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/[Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on the [[Issue Date]/[specify]];and

"**SD**" means Specified Denomination.]

(b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]/[Each date specified in the column headed "*Interest Payment Date*" in the table in paragraph [16](a) above]/[specify other]

[N.B. This will need to be amended in the case of long or short coupons]

(c) Fixed Coupon Amount(s): [[•] per Calculation Amount/ Not applicable]

(d) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date following [in/on] [•]

(e) Day Count Fraction: [30/360 or Actual/Actual (ICMA/ISDA) or [specify other]]

(f) Determination Date(s): [•] [in each year]/ [Each Interest Payment Date in the table in paragraph [16](a) above]/[specify other]

[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.

N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.

N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/*Give details*]
17. **Floating Rate Note Provisions** [Applicable/Not applicable]
- [*If not applicable, delete the remaining sub-paragraphs of this paragraph*]
- (a) Specified Period(s)/Specified Interest Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*]
- (d) Additional Business Centre(s): [•]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]
- (g) Screen Rate Determination: [•]
- Reference Rate: [•]
[Either LIBOR, EURIBOR or other, although additional information is required if "other" – including fallback provisions in Clause [8.2] of the Agency Agreement]
 - Interest Determination Date(s): [•]
[Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 system is open prior to the start of each Interest Period if EURIBOR or euro LIBOR]
 - Relevant Screen Page: [•]
[In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.]
- (h) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]

- (i) Margin(s): [+/-] [•] per cent. per annum
- (j) Minimum Rate of Interest: [•] per cent. per annum
- (k) Maximum Rate of Interest: [•] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ICMA/ISDA)]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360]
 [30E/360]
 [30E/360 (ISDA)]
 [Specify other]
(See Condition 4(b) (Interest on Floating Rate Notes) for alternatives)
- (m) Determination Date: [•] [in each year]
NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA).
- (n) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
18. **Dual Currency Note Provisions** [Applicable/Not applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [Give name and address]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [•]

19. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Amortisation: [•] per cent. per annum
- (b) [Reference Price: [•]]
- (c) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction]
- (d) Early Redemption Amount: [Amortised Face Amount/Fair Market Value]
20. **Inflation-Linked Notes Interest provisions:** [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Index: [•]
 [Composite/non Composite]
- (b) Screen Page/Exchange Code: [•]
- (c) Formula: [•]
- (d) Calculation Agent responsible for calculating the interest due: [Principal Paying Agent]/[Dealer]/[Other]
 [Address]
- (e) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [•]
- (f) Interest Period(s): [•]
- (g) Interest Period End Date(s): [•]
 Convention for Interest Period End Date(s): [Following/Modified Following/Preceding/FRN/None]
- (h) Interest Payment Date(s): [•]
 Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/FRN/None/Not applicable]
(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) are expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)
- (i) Day Count Fraction: [•]
- (j) Cut-Off Date: [•]/[Not applicable]
- (k) Related Bond: [•]/Fallback Bond
- (l) Issuer of Related Bond: [•]/[Not applicable]

- (m) Fallback Bond: [Applicable/Not applicable]
- (n) Index Sponsor: [•]
- (o) Related Bond Redemption Event: [Applicable/Not applicable]
- (p) Determination Valuation Date: [•]
- (q) Optional Additional Disruption Events: [The following Optional Additional Disruption Events apply to the Notes:]

(Specify each of the following which applies

[Increased Cost of Hedging]

Trade Date: [•]

21. Other terms or special conditions: [•]

PROVISIONS RELATING TO REDEMPTION

22. Final Redemption Amount of each Note: [•] per Calculation Amount

23. Early Redemption Amount:

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/Final Redemption Amount/ Fair Market Value]

(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]

24. Issuer Call Option [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Optional Redemption Date(s): [•]

- (b) Notice period (if other than as set out in the Conditions): [•]

[N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.]

- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market value/specify other]

- (d) Rounding: [Details of rounding]

- (e) If redeemable in part:
- (i) Minimum Redemption Amount: [•] per Calculation Amount
- (ii) Maximum Redemption Amount: [•] per Calculation Amount
25. Noteholder Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market value/specify other]
- (d) Rounding: [Details of rounding]
26. **Inflation-Linked Notes Redemption provisions:** [Applicable/Not applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Index/Indices: [•]
- [Composite/non Composite]
- (b) Formula: [•]
- (c) Calculation Agent responsible for calculating the redemption amount due: [Principal Paying Agent]/[Dealer]/[Other]
[Address]
- (d) Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable: [•]
- (e) Cut-Off Date: [•]/[Not applicable]
- (f) Related Bond: [•]/Fallback Bond
- (g) Issuer of Related Bond: [•]/[Not applicable]
- (h) Fallback Bond: [Applicable/Not applicable]
- (i) Index Sponsor: [•]
- (j) Related Bond Redemption Event: [Applicable/Not applicable]
- (k) Determination Date: [•]

- (l) Optional Additional Disruption [The following Optional Additional Disruption
Events: Events apply to the Notes:]

(Specify each of the following which applies)

[Increased Cost of Hedging]
- (m) Trade Date: [•]
- (n) Other terms or special conditions: [Not applicable/specify]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: [Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]*

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]*

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]*

[Registered Notes: Registered Global Note ([•] nominal amount)]

[Uncertificated Registered Notes]
28. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not applicable/give details]

[Note that this item relates to the place of payment and not Interest Period end dates to which item 16(d) relates]
29. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
30. Details relating to Instalment Notes:

(a) Instalment Amount(s): [Not applicable/give details]

(b) Instalment Date(s): [Not applicable/give details]
31. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]

* If a Global Note is exchangeable for Definitive Notes, the Notes shall be tradable only in principal amounts of at least the Specified Denomination specified in paragraph 6 and multiples thereof.

32. Other final terms: [Not applicable/*give details*]
[When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

DISTRIBUTION

33. (a) If syndicated, names [and addresses] of Managers: [Not applicable/*give names [and addresses]**]
[If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.]

- (b) Date of [Subscription] Agreement: [•]

34. If non-syndicated, name [and address]* of relevant Dealer: [Not applicable/*give name [and address]**]
[Where the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Dealer.]

35. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount

36. U.S. Selling Restrictions: [Reg. S Compliance Category: [2];
 TEFRA D/TEFRA C/TEFRA not applicable]

37. Additional selling restrictions: [Not applicable/*give details*]

TAXATION

38. Taxation: Condition 7A (*Taxation - No Gross up*) [applies/does not apply] [*(Condition 7A will apply for all issues of Notes unless specified otherwise)*]
 [Condition 7B (*Taxation - Gross Up*) [applies/does not apply]]

SECURITY

39. Security Provisions: [Applicable/Not applicable]
[Security Provisions will be applicable if the Notes are Secured Notes. If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (a) Whether Collateral Pool secures this Series of Notes only or this Series and other Series: [This Series only/This Series and other Series].

(b) Date of Supplemental Trust Deed relating to the Collateral Pool securing the Notes and Series Number of first Series of Secured Notes secured thereby: Supplemental Trust Deed dated [•] securing [this Series only/Series Number [•] among others]

(c)	Eligible Collateral:	Valuation Percentage	Maximum Percentage
	(i) Cash in an Eligible Currency	[•]%	[•]%
	(ii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of not more than one year	[•]%	[•]%
	(iii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than one year but not more than 10 years	[•]%	[•]%
	(iv) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than 10 years	[•]%	[•]%
	(v) Negotiable senior debt obligations issued or guaranteed by any of the following entities:	[•]%	[•]%
	Name of Entity	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	(vi) Negotiable subordinate debt obligations issued [or guaranteed] by any of the following entities:	[•]%	[•]%

	Name of Entity [and description of subordinated debt, where appropriate]	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(d)	Valuation Dates:	[•]	
(e)	Eligible Currency(ies):	[•]	
(f)	Base Currency:	[•] <i>[NB: Base Currency should be same as Specified Denomination of the Notes]</i>	
(g)	Minimum Transfer Amount:	[•]	
(h)	Independent Amount:	[•]	
40.	Collateral Credit-Linkage		
(a)	Whether Collateral Credit-Linkage applies to this Series of Secured Notes:	[Yes/No]	<i>[If no, delete the remaining sub-paragraphs of this paragraph.]</i>
(b)	If so, whether Simplified Credit-Linkages or ISDA Credit-Linkage applies:	[Simplified Credit-Linkage/ISDA Credit-Linkage]	
	<i>[The following provisions only apply where Simplified Credit-Linkage is applicable. If not, delete this sub-paragraph:]</i>		
[(c)]	Collateral Reference Entities:		
		Name of Collateral Reference Entity	Collateral Reference Entity Weighting (%)
		[•]	[•]
		[•]	[•]
		[•]	[•]
[(d)]	Collateral Reference Obligation:	[specify]/[Not Applicable]	
[(e)]	Recovery Rate:	[General Recovery Rate]/[Specific Recovery Rate] shall apply.	
	<i>[The following provisions only apply where ISDA Credit-Linkage is applicable. If not, delete this sub-paragraph:]</i>		

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	[Transaction type]/[Applicable Credit Events]	Collateral Reference Entity Weighting (%)
[]:	[specify [e.g. North American Corporate] or [[Bankruptcy], [Failure to Pay], [Obligation Acceleration], [Obligation Default], [Repudiation/Moratorium], [Restructuring]]	[]
[]:	[]	[]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Credit Event Redemption Amount: For the purposes of the Credit Event Redemption Amount (but only if Final Price is applicable):

Valuation Method: [Market/Highest/specify other]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange and the listing on the Official List of the Financial Services Authority of Notes described herein pursuant to the £2,000,000,000 Impala Structured Notes Programme of Investec Bank plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[specify the third party information] has been extracted from [specify source of information]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source of information], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: By:
Duly authorised *Duly authorised*

PART B – OTHER INFORMATION1. **LISTING**

- (i) Listing: [London]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market]] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [].] [Not applicable.]

[Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.]

2. **RATINGS**

Ratings: [The long-term senior debt of the Issuer has been rated:/[The Notes to be issued have been rated:

[S & P*: []]

[Moody's*: []]

[Fitch*: []]

[[Other]*: []]

*[*The exact legal name of the rating agency entity providing the rating should be specified-for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.]*

[The Notes to be issued have not been rated.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]

*[Insert legal name(s) of particular credit rating agency/agencies] is/are established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]*

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is endorsed by [insert

legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]/

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but is/are certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]/

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA and is/are not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: []]

(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii) Estimated net proceeds: []]

[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

[(iii) Estimated total expenses: []]

[Include breakdown of expenses]

[If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

8. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

9. **OPERATIONAL INFORMATION**

- (i) ISIN Code: []
- (ii) [SEDOL Code:] []
- (iii) Common Code: []
- (iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): []
- (v) Delivery: []
- (vi) Settlement procedures: []
- (vii) Additional Paying Agent(s) (if any): []
- (viii) Common Depository: []
- (ix) Calculation Agent: []
 - is Calculation Agent to make calculations? []
 - if not, identify calculation agent: []
- (x) Other relevant General Terms and Conditions: []
- (xi) Other Final Terms: []

10. **TERMS AND CONDITIONS OF THE OFFER**

- (i) Offer Price: []
- (ii) Offer Period: []

- (iii) Conditions to which the offer is subject: []
- (iv) Description of the application process: []
- (v) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: []
- (vi) Details of the minimum and/or maximum amount of application: []
- (vii) Details of the method and time limits for paying up and delivering the Notes: []
- (viii) Manner in and date on which results of the offer are to be made public: []
- (ix) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: []
- (x) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: []
- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: []
- (xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: []
- (xiii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: []

PART G - COMMODITY-LINKED NOTES/COMMODITY INDEX-LINKED NOTES

General Description

Under the Programme, the Issuer may from time to time issue "**Commodity-Linked Notes**"/"**Commodity Index-Linked Notes**", the Commodity-Linked Notes being Notes in relation to which the interest payable and/or redemption amount payable at maturity is linked to one or more commodities, or the performance thereof over a defined period or one or more specified dates, and the Commodity Index-Linked Notes being Notes in relation to which the interest payable and/or redemption amount payable at maturity is linked to one or more commodity indices, or the performance thereof over a defined period, or one or more specified dates as may be specified in the applicable Final Terms of each Series of Notes. This Part provides information in relation to such Commodity-Linked Notes/Commodity Index-Linked Notes, including standard terms for the Commodity-Linked Notes/Commodity Index-Linked Notes set out below (the "**Terms**" in relation to the Commodity-Linked Notes/Commodity Index-Linked Notes), pro-forma Final Terms and information in relation to certain types of Commodity-Linked Notes/Commodity Index-Linked Notes that may be issued. This Part should be read together with Part A of this Base Prospectus.

Further Information relating to certain types of Commodity-Linked Notes/Commodity Index-Linked Notes

Commodity-Linked Notes issued under the Programme may have a redemption amount which is linked to one or more commodities in accordance with the provisions set out below and Commodity Index-Linked Notes may have a redemption amount which is linked to one or more commodity indices in accordance with the provisions set out below.

In addition, Notes may be Zero Coupon Notes, in which case they will bear no interest, or they may, among other things, be Fixed Rate Notes or Floating Rate Notes, in which case they will bear interest at a fixed rate or floating rate, as applicable, or may bear interest in an amount which is linked to one or more commodities and/or commodity indices in accordance with the provisions set out below.

The terms and conditions of Commodity-Linked Notes/Commodity Index-Linked Notes may include one or any of the provisions set out below (or any combination thereof), as specified in the applicable Final Terms.

1. **Capital Less Down and In Barrier Plus Callable/Kickout Upside Commodity-Linked Notes**

A. *Further Information relating to Capital Less Down and In Barrier Plus Callable/Kickout Upside Commodity-Linked Notes/Commodity Index-Linked Notes*

Capital Less Down and In Barrier Plus Callable/Kickout Upside Commodity-Linked Notes/Commodity Index-Linked Notes are Commodity-Linked Notes/Commodity Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Less Down and In Barrier Plus Callable/Kickout Upside Commodity-Linked Notes/Commodity Index-Linked Notes, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked in the case of Capital Less Down and In Barrier Plus Callable/Kickout Upside Commodity-Linked Notes to the performance of one or more Commodities, and in the case of Capital Less Down and In Barrier Plus Callable/Kickout Upside Commodity Index-Linked Notes to the performance of one or more Commodity Indices, as specified in the applicable Final Terms.

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, as of the applicable Valuation Time satisfies one of the following conditions (the applicable condition relevant to the Automatic Early Redemption Valuation Date being specified in the applicable Final Terms):

- (a) Commodity Reference Price is greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to that Automatic Early Redemption Valuation Date; or

- (b) Commodity Reference Price falls within an Automatic Early Redemption Range specific to that Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

(each, an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

If such an Automatic Early Redemption Event occurs, and the investors receive the relevant Automatic Early Redemption Amount specified in the applicable Final Terms, the amount so received could be less than the amount that the investors would have received on maturity if the Notes had not redeemed early. If the Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, is not greater than or equal to the specified Automatic Early Redemption Price or within the Automatic Early Redemption Range, as applicable, on the relevant Automatic Early Redemption Valuation Date, the Notes will not be redeemed early pursuant to such provisions and Noteholders will forego such Automatic Early Redemption Amount, which may have been greater than the Final Redemption Amount that the investors may ultimately receive on the Maturity Date.

The payment at the Maturity Date in relation to the Notes depends upon the performance of the underlying Commodity, Commodity Index or Basket, as applicable. The Final Terms of the Notes will set out the alternatives for the Final Redemption Amount of the Notes. The alternative which is applicable depends upon whether the Commodity Reference Price, determined on the relevant Valuation Date(s) or Observation Date(s) is greater than (or, if specified in Final Terms, greater than or equal to) a barrier (the "**Barrier Level**") specified in the Final Terms (the "**Barrier Condition**").

Investors in the Notes will receive at least a return of their initial investment if either of the following conditions are satisfied:

- (a) the Barrier Condition is satisfied; or
- (b) the Barrier Condition is not satisfied, but the Commodity Reference Price, is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Commodity Reference Price.

The two alternative Final Redemption Amounts that may be payable at the Maturity Date if either of the above two conditions are satisfied will be one of the following:

- (a) an amount linked to the Commodity Reference Price; or
- (b) a fixed percentage return (a "**Digital Return**") for each Note.

If the Barrier Condition is not satisfied, and the Commodity Reference Price, is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, the investors may lose some or all of their investment.

In addition, if the Final Redemption Amount is linked to the Commodity Reference Price, the Final Redemption Amount may have any of the following features:

- (a) it, or any of the components of the performance, may be subject to a cap

The Final Terms may specify a cap on the performance of the Commodity, Commodity Index, the Basket, or any component of the Basket.

- (b) the return may be subject to a leverage factor (the "**Gearing**" in case of a positive return or "**Barrier Gearing**" in case of a negative return).

For the purposes of this section 1(A) and 1(B), if any of the circumstances specified in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*) are applicable, then all references herein to the Commodity Reference Price shall be deemed to be references to the price of the Commodity, Commodity Index or Basket, as applicable, as determined in accordance with the applicable paragraph of such Term.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Commodities", "Worst of n Commodities", "Best of n Commodity Indices" or "Worst of n Commodity Indices", as applicable. If "Best of n Commodities"/"Best of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices, respectively, "n" in number, which have the highest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively. If "Worst of n Commodities"/"Worst of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices respectively, "n" in number, which have the lowest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively.

Further, the Final Terms may specify a cap on the performance of the Commodity, Commodity Index, the Basket, or any component of the Basket.

B. *Formulae for determination of Redemption Amounts and other optional provisions relating to Capital Less Down and In Barrier Plus Callable/Kickout Upside Commodity-Linked Notes/Commodity Index-Linked Notes potentially to be included in Final Terms*

Automatic Early Redemption Amount

Automatic Early Redemption shall be applicable to the Notes if the Automatic Early Termination Event specified in the applicable Final Terms occurs.

The Automatic Early Termination Event will occur if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, as of the applicable Valuation Time is, either:

- (a) greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to the relevant Automatic Early Redemption Valuation Date; or
- (b) within an Automatic Early Redemption Range specific to the relevant Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

as specified in the applicable Final Terms, where:

"**Automatic Early Redemption Range**" means, if applicable, the range from (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Lower Limit to (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Upper Limit;

"**Automatic Early Redemption Lower Limit**" means, in relation to an Automatic Early Redemption Valuation Date, the Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable); and

"**Automatic Early Redemption Upper Limit**" means, in relation to an Automatic Early Redemption Valuation Date, the Commodity Reference Price of the Commodity, Commodity

Index or Basket, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable).

If an Automatic Early Redemption Event is deemed to have occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Event will become payable on the immediately following Automatic Early Redemption Date.

For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

Final Redemption Amount

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

- (a) if (X) the Barrier Condition is satisfied; OR (Y) (A) the Barrier Condition is not satisfied, and (B) the Commodity Reference Price is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Commodity Reference Price, either:

(i)

$$\text{Specified Denomination} \times \left[100\% + \text{Min} \left\{ \text{Cap, Gearing} \times \frac{\text{Commodity Reference Price} - \text{Initial Commodity Reference Price}}{\text{Initial Commodity Reference Price}} \right\} \right]$$

OR

(ii) Digital Return,

as specified in the applicable Final Terms.

- (b) if (A) the Barrier Condition is not satisfied, and (B) the Commodity Reference Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Commodity Reference Price:

$$\text{Specified Denomination} \times \text{Max} \left[0, \text{Barrier Gearing} \times \left(\frac{\text{Commodity Reference Price}}{\text{Initial Commodity Reference Price}} - 1 \right) + 100\% \right]$$

where:

"Barrier Condition" means:

(a) if **"European"** is specified in the applicable Final Terms, that the Commodity Reference Price is greater than (or greater than or equal to) the Barrier Level on the Valuation Date;

(b) if **"American"** is specified in the applicable Final Terms, that the Commodity Reference Price is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date, where such Observation Dates shall be a specified continuous period; and

(c) if **"Bermudan"** is specified in the applicable Final Terms, that the Commodity Reference Price, is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date;

"Barrier Gearing", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"Cap", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"Digital Return", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms; and

"Gearing", if applicable, means n per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

2. **Capital Plus Callable/Kickout Upside Commodity-Linked Notes/Commodity Index-Linked Notes**

A. ***Further Information relating to Capital Plus Callable/Kickout Upside Commodity-Linked Notes/Commodity Index-Linked Notes***

Capital Plus Callable/Kickout Upside Commodity-Linked Notes/Commodity Index-Linked Notes are Commodity-Linked Notes/Commodity Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Plus Callable/Kickout Upside Commodity-Linked Notes/Commodity Index-Linked Notes, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked in the case of Capital Plus Callable/Kickout Upside Commodity-Linked Notes to the performance of one or more Commodities, and in the case of Capital Plus Callable/Kickout Upside Commodity Index-Linked Notes to the performance of one or more Commodity Indices, as specified in the applicable Final Terms.

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, as of the applicable Valuation Time satisfies one of the following conditions (the applicable condition relevant to the Automatic Early Redemption Valuation Date being specified in the applicable Final Terms):

- (a) Commodity Reference Price is greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to that Automatic Early Redemption Valuation Date; or
- (b) Commodity Reference Price falls within an Automatic Early Redemption Range specific to that Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

(each, an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

If such an Automatic Early Redemption Event occurs, and the investors receive the relevant Automatic Early Redemption Amount specified in the applicable Final Terms, the amount so received could be less than the amount that the investors would have received on maturity if the Notes had not redeemed early. If the Commodity Reference Price is not greater than or equal to the specified Automatic Early Redemption Price or within the Automatic Early Redemption Range, as applicable, on the relevant Automatic Early Redemption Valuation Date, the Notes will not be redeemed early pursuant to such provisions and Noteholders will forego such Automatic Early Redemption Amount, which may have been greater than the Final Redemption Amount that the investors may ultimately receive on the Maturity Date.

The payment at the Maturity Date in relation to the Notes depends upon the performance of the underlying Commodity, Commodity Index or Basket, as applicable.

The Final Redemption Amount to investors at maturity will be a return of principal plus the lesser of:

- (a) a cap (if so specified in the applicable Final Terms); and
- (b) the upside of the performance of the Commodity, Commodity Index or Basket, as applicable, multiplied by a leverage factor (the "**Gearing**"), as set out in the applicable Final Terms.

For the purposes of this section 2(A) and 2(B), if any of the circumstances specified in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*) are applicable, then all references herein to the Commodity Reference Price shall be deemed to be references to the price of the Commodity, Commodity Index or Basket, as applicable, as determined in accordance with the applicable paragraph of such Term.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Commodities", "Worst of n Commodities", "Best of n Commodity Indices" or "Worst of n Commodity Indices", as applicable. If "Best of n Commodities"/"Best of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices, respectively, "n" in number, which have the highest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively. If "Worst of n Commodities"/"Worst of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices respectively, "n" in number, which have the lowest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively.

Further, the Final Terms may specify a cap on the performance of the Commodity, Commodity Index, the Basket, or any component of the Basket.

B. *Formulae for determination of Redemption Amounts and other optional provisions relating to Capital Plus Callable/Kickout Upside Commodity-Linked Notes/Commodity Index-Linked Notes potentially to be included in Final Terms*

Automatic Early Redemption Amount

Automatic Early Redemption shall be applicable to the Notes if the Automatic Early Termination Event specified in the applicable Final Terms occurs.

The Automatic Early Termination Event will occur if on any Automatic Early Redemption Valuation Date specified in the applicable Final Terms, the Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, as of the applicable Valuation Time is either:

- (a) greater than (or greater than or equal to) the relevant Automatic Early Redemption Price specific to the relevant Automatic Early Redemption Valuation Date; or
- (b) within an Automatic Early Redemption Range specific to the relevant Automatic Early Redemption Valuation Date, the limits of which will be specified in the applicable Final Terms,

as specified in the applicable Final Terms,

where:

"**Automatic Early Redemption Range**" means, if applicable, the range from (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Lower Limit to (and including, if so specified in the applicable Final Terms) the Automatic Early Redemption Upper Limit;

"**Automatic Early Redemption Lower Limit**" means, in relation to an Automatic Early Redemption Valuation Date, the Commodity Reference Price per Commodity, Commodity Index or Basket, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable); and

"**Automatic Early Redemption Upper Limit**" means, in relation to an Automatic Early Redemption Valuation Date, the Commodity Reference Price per Commodity, Commodity Index or Basket, as applicable, specified as such in the applicable Final Terms (if an Automatic Early Redemption Range is specified as being applicable).

If an Automatic Early Redemption Event is deemed to have occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Event will become payable on the immediately following Automatic Early Redemption Date.

For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Final Terms and an Automatic Early Redemption Event may occur on any such date.

Final Redemption Amount

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent as:

$$\text{Specified Denomination} \times \left[100\% + \text{Min} \left\{ \text{Cap, Gearing} \times \frac{\text{Commodity Reference Price} - \text{Initial Commodity Reference Price}}{\text{Initial Commodity Reference Price}} \right\} \right]$$

where:

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms; and

"**Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

3. **Capital Plus Minimum Upside Plus Capped/Uncapped Commodity-Linked Notes/Commodity Index-Linked Notes**

A. ***Further Information relating to Capital Plus Minimum Upside Plus Capped/Uncapped Commodity-Linked Notes/Commodity Index-Linked Notes***

Capital Plus Minimum Upside Plus Capped/Uncapped Commodity-Linked Notes/Commodity Index-Linked Notes are Commodity-Linked Notes/Commodity Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Plus Minimum Upside Plus Capped/Uncapped Commodity-Linked Notes/Commodity Index-Linked Notes is linked in the case of Capital Plus Minimum Upside Plus Capped/Uncapped Commodity-Linked Notes to the performance of one or more Commodities, and in the case of Capital Plus Minimum Upside Plus Capped/Uncapped Commodity Index-Linked Notes to the performance of one or more Commodity Indices, as specified in the applicable Final Terms.

The return to investors on maturity will be a return of principal plus the greater of:

- (a) a specified minimum return (if so specified in the applicable Final Terms);

and

- (b) the lesser of:
- (i) the upside of the performance of the Commodity, Commodity Index or Basket, as applicable, multiplied by a leverage factor (the "**Gearing**"), as set out in the applicable Final Terms; and
 - (ii) a cap (if so specified in the applicable Final Terms).

For the purposes of this section 3(A) and 3(B), if any of the circumstances specified in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*) are applicable, then all references herein to the Commodity Reference Price shall be deemed to be references to the price of the Commodity, Commodity Index or Basket, as applicable, as determined in accordance with the applicable paragraph of such Term.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Commodities", "Worst of n Commodities", "Best of n Commodity Indices" or "Worst of n Commodity Indices", as applicable. If "Best of n Commodities"/"Best of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices, respectively, "n" in number, which have the highest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively. If "Worst of n Commodities"/"Worst of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices respectively, "n" in number, which have the lowest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively.

Further, the Final Terms may specify a cap on the performance of the Commodity, Commodity Index, the Basket, or any component of the Basket.

B. *Formula for determination of the Final Redemption Amount and other optional provisions relating to Capital Plus Minimum Upside Plus Capped/Uncapped Commodity-Linked Notes/Commodity Index-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} \times \left[100\% + \text{Max} \left(\text{Minimum Return}, \text{Min} \left\{ \text{Cap}, \text{Gearing} \times \frac{\text{Commodity Reference Price} - \text{Initial Commodity Reference Price}}{\text{Initial Commodity Reference Price}} \right\} \right) \right]$$

where:

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms; and

"**Minimum Return**", if applicable, means *n* per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

4. **Capital Less Down and In Barrier Plus Upside Capped/Uncapped Commodity-Linked Notes/Commodity Index-Linked Notes**

A. ***Further Information relating to Capital Less Down and In Barrier Plus Upside Capped/Uncapped Commodity-Linked Notes/Commodity Index-Linked Notes***

Capital Less Down and In Barrier Plus Upside Capped/Uncapped Commodity-Linked Notes/Commodity Index-Linked Notes are Commodity-Linked Notes/Commodity Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to Capital Less Down and In Barrier Plus Upside Capped/Uncapped Commodity-Linked Notes/Commodity Index-Linked Notes is linked in the case of Capital Less Down and In Barrier Plus Upside Capped/Uncapped Commodity-Linked Notes to the performance of one or more Commodities, and in the case of Capital Less Down and In Barrier Plus Upside Capped/Uncapped Commodity Index-Linked Notes to the performance of one or more Commodity Indices, as specified in the applicable Final Terms.

The payment at the Maturity Date in relation to the Notes depends upon the performance of the underlying Commodity or Basket. The Final Terms of the Notes will set out the alternatives for the Final Redemption Amount of the Notes. The alternative which is applicable depends upon whether the Commodity Reference Price of the Commodity, Commodity Index or Basket, determined on the relevant Valuation Date(s) is greater than (or, if specified in Final Terms, greater than or equal to) a barrier (the "**Barrier Level**") specified in the Final Terms (the "**Barrier Condition**").

Investors in the Notes will receive at least a return of their initial investment if either of the following conditions are satisfied:

- (a) the Barrier Condition is satisfied; or
- (b) the Barrier Condition is not satisfied, but the Commodity Reference Price, as applicable, is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Commodity Reference Price.

The Final Redemption Amounts payable at the Maturity Date if either of the above conditions are satisfied may be either (1) an amount linked to the Commodity Reference Price; or (2) a fixed percentage return (a "**Digital Return**") for each Note. In the case of (1) the investors' return is linked to any positive performance of the underlying Commodity or Basket.

If the Barrier Condition is not satisfied, and the Commodity Reference Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Commodity Reference Price, the investors may lose some or all of their investment.

In addition, if the Final Redemption Amount is linked to the Commodity Reference Price, the Final Redemption Amount may have any of the following features:

- (a) it, or any of the components of the performance, may be subject to a cap
The Final Terms may specify a cap on the performance of the Commodity, the Basket, or any component of the Basket.
- (b) the return may be subject to a leverage factor (the "**Gearing**").

For the purposes of this section 4(A) and 4(B), if any of the circumstances specified in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*) are applicable, then all references herein to the Commodity Reference Price shall be deemed to be references to the price of the Commodity, Commodity Index or Basket, as applicable, as determined in accordance with the applicable paragraph of such Term.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Commodities", "Worst of n Commodities", "Best of n Commodity Indices" or "Worst of n Commodity Indices", as applicable. If "Best of n Commodities"/"Best of n Commodity Indices" is specified, the Commodity Reference Price of

the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices, respectively, "n" in number, which have the highest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively. If "Worst of n Commodities"/"Worst of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices respectively, "n" in number, which have the lowest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively.

Further, the Final Terms may specify a cap on the performance of the Commodity, Commodity Index, the Basket, or any component of the Basket.

B. *Formula for determination of the Final Redemption Amount and other optional provisions relating to Capital Less Down and In Barrier Plus Upside Capped/Uncapped Commodity-Linked Notes/Commodity Index-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date will be determined by the Calculation Agent in accordance with the applicable formula, as follows:

- (a) if (i) the Barrier Condition is satisfied; OR (ii) (A) the Barrier Condition is not satisfied; and (B) the Commodity Reference Price is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Initial Commodity Reference Price, as applicable:

(i)

$$\text{Specified Denomination} \left[100\% + \text{Max} \left\{ 0, \text{Min} \left(\text{Cap, Gearing} \times \frac{\text{Commodity Reference Price} - \text{Initial Commodity Reference Price}}{\text{Initial Commodity Reference Price}} \right) \right\} \right]$$

OR

- (ii) Digital Return;

as specified in the applicable Final Terms.

- (b) if (i) the Barrier Condition is not satisfied, and (ii) the Commodity Reference Price is less than (or less than or equal to, if so specified in the applicable Final Terms) the Initial Commodity Reference Price:

$$\text{Specified Denomination} \times \frac{\text{Commodity Reference Price}}{\text{Initial Commodity Reference Price}}$$

where:

"Barrier Condition" means:

- (a) if **"European"** is specified in the applicable Final Terms, that the Commodity Reference Price is greater than (or greater than or equal to) the Barrier Level on the Valuation Date;

- (b) if **"American"** is specified in the applicable Final Terms, that the Commodity Reference Price is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date, where such Observation Dates shall be a specified continuous period; and

(c) if "**Bermudan**" is specified in the applicable Final Terms, that the Commodity Reference Price, is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date;

"**Cap**", if applicable, means n per cent., as specified in the applicable Final Terms;

"**Digital Return**", if applicable, means the Specified Denomination multiplied by n per cent., as specified in the applicable Final Terms; and

"**Gearing**", if applicable, means n per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

5. **Defensive Returns Commodity-Linked Notes/Commodity Index-Linked Notes**

A. ***Further Information relating to Defensive Returns Commodity-Linked Notes/Commodity Index-Linked Notes***

Defensive Returns Commodity-Linked Notes/Commodity Index-Linked Notes are Commodity-Linked Notes/Commodity Index-Linked Notes which are Zero Coupon Notes. The return that an investor receives in relation to the Notes, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked in the case of Defensive Returns Commodity-Linked Notes to the performance of one or more Commodities, and in the case of Defensive Returns Commodity Index-Linked Notes to the performance of one or more Commodity Indices, as specified in the applicable Final Terms.

At the Maturity Date, an investor in the Notes will receive a return based on the Commodity Reference Price as compared to any applicable Call Strike, Put Strike, Initial Commodity Reference Price and/or Barrier Level (each as defined below). Investors in the Notes will receive at least a return of their initial investment if either of the following conditions is satisfied:

- (a) the Commodity Reference Price is greater than (or, if specified in Final Terms, greater than or equal to) a price specified in the applicable Final Terms (the "**Call Strike**"); or
- (b) the Commodity Reference Price is less than (or, if specified in the applicable Final Terms, less than or equal to) a price specified in the applicable Final Terms (the "**Put Strike**") but above the barrier level specified in the applicable Final Terms (the "**Barrier Level**").

If the Commodity Reference Price is greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Call Strike, investors in the Notes will receive a return which may be either (1) a return of the principal plus the greater of (i) zero; and (ii) the upside of the performance of the underlying Commodity, Commodity Index or Basket multiplied by a leverage factor (the "**Call Gearing**"), as set out in the Final Terms, subject to a cap (the "**Call Cap**"); or (2) a fixed percentage return (a "**Digital Return 1**") for each Note, as specified in the applicable Final Terms.

If the Commodity Reference Price is (i) less than (or, if specified in the applicable Final Terms, less than or equal to) the Call Strike and (ii) greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Put Strike, investors in the Notes will receive a Final Redemption Amount equal to the product of the principal and a leverage factor (the "**Gearing**") as set out in the Final Terms. The applicable Final Terms may set out a Call Strike or a Put Strike, in each case, which may be equal to each other or to the Initial Commodity Reference Price. Where both the Call Strike and the Put Strike are equal as per the applicable Final Terms, this calculation for the Final Redemption Amount will not be applicable.

If the Commodity Reference Price is less than (or, if specified in the applicable Final Terms less than or equal to) the Put Strike, but greater than or equal to the Barrier Level, the investors in the

Notes will receive a Final Redemption Amount which may be either (1) a return of the principal plus the lesser of (i) a cap (if so specified in the applicable Final Terms) (the "**Put Cap**"); and (ii) the downside of the performance of the underlying Commodity, Commodity Index or Basket (but expressed as a positive number) multiplied by a leverage factor (the "**Put Gearing**"), as set out in the applicable Final Terms; or (2) a fixed percentage return (a "**Digital Return 2**") for each Note, as specified in the applicable Final Terms.

Finally, if the Commodity Reference Price is less than the Barrier Level, the investors in the Notes will suffer a loss of capital on the Notes in proportion with the decline of the relevant performance below the Barrier Level which may, if so specified in the applicable Final Terms, be multiplied by a leverage factor (the "**Barrier Gearing**"), as set out in the applicable Final Terms.

For the purposes of this section 5(A) and 5(B), if any of the circumstances specified in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*) are applicable, then all references herein to the Commodity Reference Price shall be deemed to be references to the price of the Commodity, Commodity Index or Basket, as applicable, as determined in accordance with the applicable paragraph of such Term.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Commodities", "Worst of n Commodities", "Best of n Commodity Indices" or "Worst of n Commodity Indices", as applicable. If "Best of n Commodities"/"Best of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices, respectively, "n" in number, which have the highest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively. If "Worst of n Commodities"/"Worst of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices respectively, "n" in number, which have the lowest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively.

Further, the Final Terms may specify a cap on the performance of the Commodity, Commodity Index, the Basket, or any component of the Basket.

B. *Formulae for determination of Final Redemption Amount and other optional provisions relating to Defensive Returns Commodity-Linked Notes/Commodity Index-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent in accordance with the applicable formula, as follows:

- (a) if the Commodity Reference Price is greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Call Strike:

- (i)

$$\text{Specified Denomination} \times \left[1 + \text{Min} \left(\text{Call Cap}, \text{Max} \left\{ 0, \left(\text{Call Gearing} \times \frac{\text{Commodity Reference Price} - \text{Call Strike}}{\text{Initial Commodity Reference Price}} \right) \right\} \right) \right]$$

OR

- (ii) *Digital Return 1*

- (b) if applicable, if the Commodity Reference Price is: (1) less than (or less than or equal to, if so specified in the applicable Final Terms) the Call Strike and (2) greater than (or greater than or equal to, if so specified in the applicable Final Terms) the Put Strike:

Specified Denomination × Gearing

- (c) if the Commodity Reference Price is: (1) less than (or less than or equal to, if so specified in the applicable Final Terms) the Put Strike and (2) greater than or equal to the Barrier Level:

(i)

$$\text{Specified Denomination} \times \left[1 + \text{Min} \left\{ \text{Put Cap}, \left(\text{Put Gearing} \times \frac{\text{Put Strike} - \text{Commodity Reference Price}}{\text{Initial Commodity Reference Price}} \right) \right\} \right]$$

OR

(ii) *Digital Return 2*

- (d) if the Commodity Reference Price is less than the Barrier Level:

$$\text{Specified Denomination} \times \text{Max} \left[0, \left\{ 1 - \text{Barrier Gearing} \times \left(\frac{\text{Barrier Level} - \text{Commodity Reference Price}}{\text{Initial Commodity Reference Price}} \right) \right\} \right]$$

where:

"**Barrier Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Call Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Call Strike**" means *n* per cent. of the Initial Commodity Reference Price, as specified in the applicable Final Terms;

"**Call Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Digital Return 1**", if applicable, means the Specified Denomination multiplied by *n* per cent., as specified in the applicable Final Terms;

"**Digital Return 2**", if applicable, means the Specified Denomination multiplied by *n* per cent., as specified in the applicable Final Terms;

"**Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Put Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Put Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms; and

"**Put Strike**" means *n* per cent. of the Initial Commodity Reference Price, as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

6. Reverse Convertible Commodity-Linked Notes/Commodity Index-Linked Notes

A. Further Information relating to Reverse Convertible Commodity-Linked Notes/Commodity Index-Linked Notes

Reverse Convertible Commodity-Linked Notes/Commodity Index-Linked Notes are Commodity-Linked Notes/Commodity Index-Linked Notes that are in the case of Reverse Convertible Commodity-Linked Notes linked to the performance of one or more Commodities

or, in the case of Reverse Convertible Commodity Index-Linked Notes to the performance of one or more Commodity Indices, as specified in the applicable Final Terms, designed to provide fixed interest payments either at maturity of the Notes or periodically throughout the life of the Notes. The Final Redemption Amount of the Notes will depend upon the performance of the relevant Underlying Asset, as specified in the applicable Final Terms.

The Final Terms of the Notes will set out two alternatives for the Final Redemption Amount of the Notes. Which of the two alternatives is applicable will depend on whether certain conditions (the "**Barrier Conditions**") relating to the Commodity Reference Price in comparison to the Initial Commodity Reference Price are satisfied, as specified in the Final Terms (which may be the performance being greater than (or greater than or equal to) a barrier level (the "**Barrier Level**")).

The two alternative Final Redemption Amounts will each be one of the following:

- (a) an amount linked to the ratio of the Commodity Reference Price to the Initial Commodity Reference Price of a Commodity, Commodity Index or Basket, as the case may be (which may or may not be the same Commodity, Commodity Index or Basket that determined whether or not the Barrier Condition had been satisfied); or
- (b) a fixed percentage return (a "**Digital Return**") for each Note.

In addition, if the Final Redemption Amount is linked to the Commodity Reference Price, the Final Redemption Amount may have any of the following features:

- (a) it, or any of the components of the performance, may be subject to a cap (a maximum) or a floor (a minimum) on the performance of the Commodity, the Basket, or any component of the Basket.
- (b) the return may be subject to a leverage factor (the "**Gearing**").

For the purposes of this section 6(A) and 6(B), if any of the circumstances specified in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*) are applicable, then all references herein to the Commodity Reference Price shall be deemed to be references to the price of the Commodity, Commodity Index or Basket, as applicable, as determined in accordance with the applicable paragraph of such Term.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Commodities", "Worst of n Commodities", "Best of n Commodity Indices" or "Worst of n Commodity Indices", as applicable. If "Best of n Commodities"/"Best of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices, respectively, "n" in number, which have the highest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively. If "Worst of n Commodities"/"Worst of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices respectively, "n" in number, which have the lowest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively.

Further, the Final Terms may specify a cap on the performance of the Commodity, Commodity Index, the Basket, or any component of the Basket.

B. *Formulae for Final Redemption Amount and other optional provisions relating to Reverse Convertible Commodity-Linked Notes/Commodity Index-Linked Notes potentially to be included in Final Terms*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Final Terms, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date shall be an amount determined by the Calculation Agent in accordance with the applicable formula, as follows:

(a) If the Barrier Condition has been satisfied then:

(i)

$$\text{Specified Denomination} \times \left[100\% + \text{Max} \left\{ 0, \text{Gearing} \times \left(\frac{\text{Commodity Reference Price}}{\text{Initial Commodity Reference Price}} - 100\% \right) \right\} \right]$$

OR

(ii) Digital Return 1;

as specified in the applicable Final Terms.

(b) If not, the Final Redemption Amount shall be determined as:

(i)

$$\text{Specified Denomination} \times \text{Min} \left[\text{Cap}, \frac{\text{Commodity Reference Price}}{\text{Initial Commodity Reference Price}} \right]$$

OR

(ii) Digital Return 2;

as specified in the applicable Final Terms.

where:

"**Barrier Condition**" means:

(a) if "**European**" is specified in the applicable Final Terms, that the Commodity Reference Price is greater than (or greater than or equal to) the Barrier Level on the Valuation Date;

(b) if "**American**" is specified in the applicable Final Terms, that the Commodity Reference Price is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date, where such Observation Dates shall be a specified continuous period; and

(c) if "**Bermudan**" is specified in the applicable Final Terms, that the Commodity Reference Price, is greater than (or greater than or equal to) the Barrier Level on each and every Observation Date;

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Final Terms;

"**Digital Return 1**", if applicable, means the Specified Denomination multiplied by *n* per cent., as specified in the applicable Final Terms;

"**Digital Return 2**", if applicable, means the Specified Denomination multiplied by *n* per cent., as specified in the applicable Final Terms; and

"**Gearing**", if applicable, means *n* per cent., as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

7. **N Barrier Coupon Commodity-Linked Notes/Commodity Index-Linked Notes**A. ***Further Information relating to N Barrier Coupon Commodity-Linked Notes/Commodity Index-Linked Notes***

N Barrier Coupon Commodity-Linked Notes/Commodity Index-Linked Notes are Commodity-Linked Notes/Commodity Index-Linked Notes in relation to which the Interest Amount in the case of N Barrier Coupon Commodity-Linked Notes is linked to the performance of one or more Commodities, and in the case of N Barrier Coupon Commodity Index-Linked Notes is linked to the performance of one or more Commodity Indices, as specified in the applicable Final Terms, and whether the relevant underlying fulfils certain conditions set out in the applicable Final Terms (each, a "**Barrier Condition**").

An Interest Amount in respect of the Notes shall be payable if the Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, as of the applicable valuation time on the valuation date(s) (the "**Coupon Valuation Date(s)**") or applicable observation date(s) (the "**Coupon Observation Date(s)**") satisfies a specified Barrier Condition or multiple Barrier Conditions, as determined by the Calculation Agent (a "**Payout Event**"). Each Interest Period relating to an Interest Payment Date (which may, for the avoidance of doubt, include the Maturity Date) may have one or more corresponding Barrier Conditions, each relevant to a Coupon Valuation Date(s), or Coupon Observation Date(s), as applicable, that differ from those applicable to any other Interest Period(s), Coupon Valuation Date(s), Coupon Observation Date(s) and related Interest Payment Date(s). For the avoidance of doubt, there may be multiple Barrier Conditions for each Coupon Valuation Date, Coupon Observation Date and there may be multiple Coupon Valuation Dates, Coupon Observation Dates in respect of an Interest Period, in each case, as specified in the applicable Final Terms.

Each Barrier Condition may have its own Barrier Level, or Upper Barrier Level and Lower Barrier Level (i.e. range), as applicable, and each Barrier Condition is evaluated independently (irrespective of other Barrier Conditions that may apply). The relevant Barrier Level, or Upper Barrier Level and Lower Barrier Level in respect of any Barrier Condition are specified in the applicable Final Terms.

Each Barrier Condition will have an associated Interest Amount and the total Interest Amount payable on the relevant Interest Payment Date will be the aggregate of each Interest Amount payable (based on each of the individual Barrier Conditions met) plus a minimum interest amount (the "**Minimum Interest Amount**"), if any, specified in the applicable Final Terms.

The Final Redemption Amount payable at the Maturity Date will be at par.

For the purposes of this section 7(A) and 7(B), if any of the circumstances specified in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*) are applicable, then all references herein to the Commodity Reference Price shall be deemed to be references to the price of the Commodity, Commodity Index or Basket, as applicable, as determined in accordance with the applicable paragraph of such Term.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Commodities", "Worst of n Commodities", "Best of n Commodity Indices" or "Worst of n Commodity Indices", as applicable. If "Best of n Commodities"/"Best of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices, respectively, "n" in number, which have the highest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively. If "Worst of n Commodities"/"Worst of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices respectively, "n" in number, which have the lowest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively.

Further, the Final Terms may specify a cap on the performance of the Commodity, Commodity Index, the Basket, or any component of the Basket.

B. *Formulae for determination of Interest Amount and other optional provisions relating to N Barrier Coupon Commodity-Linked Notes/Commodity Index-Linked Notes potentially to be included in Final Terms*

Interest Amount

Whether or not one or more Payout Event(s) occurs in respect of the Notes depends upon the Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, as compared to one or more relevant Barrier Conditions specified in the applicable Final Terms occurs, as determined by the Calculation Agent.

A Payout Event will occur if on any Coupon Valuation Date or on each and every Coupon Observation Date, the Commodity Reference Price meets the relevant Barrier Condition applicable to that Coupon Valuation Date or those Coupon Observation Dates.

If the Calculation Agent determines that a Payout Event has occurred, the Interest Amount relevant to the particular Barrier Condition satisfied will become payable. The total Interest Amount payable will be the aggregate of each Interest Amount payable in respect of each Interest Period for which a Barrier Condition is satisfied plus the Minimum Interest Amount, if applicable.

"Barrier Condition" means:

- (a) if **"European"** is specified in the applicable Final Terms, that the Commodity Reference Price is:
 - (i) greater than (or greater than or equal to) the Barrier Level on the Coupon Valuation Date;
 - (ii) less than (or less than or equal to) the Barrier Level on the Coupon Valuation Date; or
 - (iii) greater than (or greater than or equal to) the Lower Barrier Level on the Coupon Valuation Date and less than (or less than or equal to) the Upper Barrier Level on the Coupon Valuation Date,

as specified in the applicable Final Terms.

- (b) if **"American"** is specified in the applicable Final Terms, that the Commodity Reference Price is:
 - (i) greater than (or greater than or equal to) the Barrier Level on each Coupon Observation Date, where such Coupon Observation Dates shall be a specified continuous period;
 - (ii) less than (or less than or equal to) the Barrier Level on each Coupon Observation Date, where such Coupon Observation Dates shall be a specified continuous period; or
 - (iii) greater than (or greater than or equal to) the Lower Barrier Level on each Coupon Observation Date, where such Coupon Observation Dates shall be a specified continuous period, and less than (or less than or equal to) the Upper Barrier Level on each Coupon Observation Date, where such Coupon Observation Dates shall be a specified continuous period,

as specified in the applicable Final Terms.

- (c) if **"Bermudan"** is specified in the applicable Final Terms, that the Commodity Reference Price is:

- (i) greater than (or greater than or equal to) the Barrier Level on each and every Coupon Observation Date;
- (ii) less than (or less than or equal to) the Barrier Level on each and every Coupon Observation Date; or
- (iii) greater than (or greater than or equal to) the Lower Barrier Level on each and every Coupon Observation Date and less than (or less than or equal to) the Upper Barrier Level on each and every Coupon Observation Date,

as specified in the applicable Final Terms.

For the purposes of this section 7(A) and 7(B), each Coupon Valuation Date shall be deemed to be a Valuation Date, and each Coupon Observation Date shall be deemed to be an Observation Date for the purposes of the Standard Terms for Commodity-Linked Notes/Commodity Index-Linked Notes.

"Coupon Observation Date" means, in relation to any Interest Payment Date, each date specified as such for such Interest Payment Date in the applicable Final Terms;

"Coupon Valuation Date" means, in relation to any Interest Payment Date, each date specified as such for such Interest Payment Date in the applicable Final Terms;

"Lower Barrier Level", if applicable, means *n* per cent. of the Initial Commodity Reference Price, as specified in the applicable Final Terms;

"Minimum Interest Amount", if applicable, has the meaning specified in the applicable Final Terms; and

"Upper Barrier Level", if applicable, means *n* per cent. of the Initial Commodity Reference Price, as specified in the applicable Final Terms.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

8. **Range Accrual Commodity-Linked Notes/Commodity Index-Linked Notes**

A. ***Further Information relating to Range Accrual Commodity-Linked Notes/Commodity Index-Linked Notes***

Range Accrual Commodity-Linked Notes/Commodity Index-Linked Notes are Commodity-Linked Notes/Commodity Index-Linked Notes that provide for interest to be paid either (i) at Interest Payment Dates occurring at regular intervals throughout the life of the Notes; or (ii) in a single amount on the Interest Payment Date falling on the Maturity Date, as specified in the Final Terms. The Interest Amount that an investor in the Notes receives is linked in the case of Range Accrual Commodity-Linked Notes to the performance of one or more Commodities and in the case of Range Accrual Commodity Index-Linked Notes to the performance of one or more Commodity Indices, as specified in the applicable Final Terms and on how many actual days during the Interest Period ending on such Interest Payment Date its price remains within a range of prices, the upper and lower limit of which will be specified in the applicable Final Terms. If the Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, is below the lower limit or higher than the upper limit on some or all of the actual days in an Interest Period, the investor may receive low or even zero interest payments, respectively, for the relevant Interest Period.

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Final Terms, and unless otherwise specified in the applicable Final Terms, the Final Redemption Amount of the Notes will be at par.

For the purposes of this section 8(A) and 8(B), if any of the circumstances specified in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*) are applicable, then all references herein to the Commodity Reference Price shall be deemed to be references to the price of the Commodity, Commodity Index or Basket, as applicable, as determined in accordance with the applicable paragraph of such Term.

Where the applicable Final Terms specify that the Underlying Asset is a Basket, the Final Terms may further specify either "Best of n Commodities", "Worst of n Commodities", "Best of n Commodity Indices" or "Worst of n Commodity Indices", as applicable. If "Best of n Commodities"/"Best of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices, respectively, "n" in number, which have the highest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively. If "Worst of n Commodities"/"Worst of n Commodity Indices" is specified, the Commodity Reference Price of the Basket will be calculated on the basis of a specified number of Commodities/Commodity Indices respectively, "n" in number, which have the lowest Commodity Reference Prices in accordance with the Final Terms, as if the Basket is constituted of only those Commodities/Commodity Indices respectively.

Further, the Final Terms may specify a cap on the performance of the Commodity, Commodity Index, the Basket, or any component of the Basket.

B. *Formulae for determination of Rate of Interest and other optional provisions relating to Range Accrual Commodity-Linked Notes/Commodity Index-Linked Notes potentially to be included in Final Terms*

Rate of Interest

The Rate of Interest payable in respect of the Notes for any Interest Period shall be a rate determined by the Calculation Agent in accordance with the following formula:

$$\text{Relevant Rate} \times \text{Accrual Factor}$$

where:

"**Accrual Factor**" is calculated as the actual number of days during each Interest Period in which the Commodity Reference Price is greater than or equal to the Lower Range and less than or equal to the Upper Range divided by the actual number of days during such Interest Period; *provided that*, (i) for days that are not Commodity Business Days, the Commodity Reference Price shall be the same as the previous Commodity Business Day's fixing, and (ii) the final fixing of the Commodity Reference Price of the Commodity, Commodity Index or Basket, as applicable, in the respective Interest Period will be as of the day that is five (5) Commodity Business Days prior to the respective Interest Payment Date and that day's fixing shall apply in respect of the remaining days of the respective Interest Period; and

"**Relevant Rate**" shall be any of the fixed Rate of Interest specified in the Fixed Rate provisions of the applicable Final Terms, the Reference Rate specified in the Floating Rate or the relevant rate specified in the applicable Final Terms, as applicable (and calculated by the calculation agent in accordance with the terms and fixed on the dates specified therein);

"**Lower Range**" is a fixed Commodity Reference Price specified in the applicable Final Terms; and

"**Upper Range**" is a fixed Commodity Reference Price specified in the applicable Final Terms.

For the purposes of this section 8(A) and 8(B), each day during an Interest Period shall be deemed to be an Observation Date for the purposes of the Standard Terms for Commodity-Linked Notes/Commodity Index-Linked Notes.

The features referred to above may be included in the applicable Final Terms in relation to an issue of Notes. However, if, as agreed between the Issuer and the relevant Dealer(s) any one or

more of the features are not applicable to an issue of Notes, the feature will be deleted from the formula and the formula set out in the applicable Final Terms will be adjusted accordingly.

Risk Factors in relation to the Commodity-Linked Notes/Commodity Index-Linked Notes

An investment in Commodity-Linked Notes/Commodity Index-Linked Notes involves risks. For the risks involved, please see the section entitled "*Risk Factors*" set out in Part A of this Base Prospectus and in particular the section entitled "*Risk Factors related to Commodity-Linked Notes/Commodity Index-Linked Notes*".

Standard Terms for Commodity-Linked Notes/Commodity Index-Linked Notes

The Conditions applicable to the Notes shall be supplemented by the following Terms applicable to the Commodity-Linked Notes/Commodity Index-Linked Notes, unless otherwise indicated in the applicable Final Terms. The Conditions apply to all Commodity-Linked Notes/Commodity Index-Linked Notes and, in the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Base Prospectus, these Terms will prevail for the purposes of the Commodity-Linked Notes/Commodity Index-Linked Notes. In the event of any inconsistency between any of these Terms or any statement in or incorporated by reference into the Base Prospectus, and the Final Terms in relation to the Commodity-Linked Notes/Commodity Index-Linked Notes, the Final Terms shall prevail.

1. Definitions

For the purposes of these Terms, the following terms shall have the meanings set out below:

"Additional Disruption Event" means the occurrence of either (i) Hedging Disruption or (ii) Increased Cost of Hedging;

"Associated Hedging Costs" means any loss, or mark to market adjustment, which would be incurred by the Issuer and/or its affiliates as a result of terminating, liquidating, transferring, obtaining or re-establishing any swap agreement, financing arrangement or other hedging transaction entered into by or on behalf of the Issuer and/or its affiliates in relation to, as a result of or in connection with the issuance of the Notes (if any), subject to a minimum of zero;

"Barrier Level" means the price (if any) specified as such in the applicable Final Terms;

"Basket" means a basket comprising two or more Commodities or Commodity Indices;

"Calculation Agent Determination" means that the Calculation Agent will determine the Relevant Price (or a method for determining a Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information it deems relevant;

"Cancellation" means that all but not some only of the Notes shall be redeemed, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less any Associated Hedging Costs, all as determined by the Calculation Agent in its sole and absolute discretion;

"Commodity" means, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly;

"Commodity Business Day" means:

- (i) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its Scheduled Closing Time; or
- (ii) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published), a price;

"Commodity Fallback Value" means the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, **provided that** if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity

Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent;

"Commodity Index" means each index specified as such in the applicable Final Terms; or any Successor Index or an index comprising one or more commodities or contracts for the future delivery of a commodity (each a **"Component"**);

"Commodity Price" means, in respect of a Commodity or a Component as applicable, the price or other unit of quotation for such Commodity or Component specified in the applicable Final Terms;

"Commodity Reference Price" means, (i) in respect of any Commodity, the Commodity Reference Price specified in the applicable Final Terms; (ii) in respect of any basket of Commodities, the weighted average of the Commodity Reference Prices specified in the applicable Final Terms; (iii) in respect of any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms; and (iv) in respect of any basket of Commodity Indices, the weighted average of the Commodity Reference Prices specified in the applicable Final Terms;

"Delayed Publication and Announcement" means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for consecutive Commodity Business Days equal in number to the Specified Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the applicable Final Terms will apply;

"Delivery Date" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
- (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and
- (iii) if a method is specified in the applicable Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

"Disappearance of Commodity Reference Price" means (i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (ii) the disappearance of, or of trading in, the relevant Commodity or Component or (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Component;

"Disrupted Day" means any Commodity Business Day on which an Exchange Failure to Open or on which a Market Disruption Event has occurred;

"Disruption Fallback" means each of Calculation Agent Determination, Cancellation, Delayed Publication and Announcement, Commodity Fallback Value, Fallback Commodity Price, and Postponement, which are specified as applicable in the applicable Final Terms;

"Exchange" means, in respect of a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Final Terms or in the Commodity Reference Price and in the case of a Commodity Index, the exchange or principal trading market for each Component comprising such Commodity Index;

"Exchange Failure to Open" means any Commodity Business Day on which a relevant Exchange fails to open for trading during its regular trading session;

"Fallback Commodity Price" means that the Calculation Agent shall determine the Relevant Price of the relevant Commodity using the Commodity Price specified in the applicable Final Terms as an alternative Commodity Price;

"Futures Contract" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity or Commodity Index referred to in that Commodity Reference Price;

"Hedging Disruption" means that the Issuer and/or 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) the Issuer and/or its affiliates deem necessary to hedge the risk of issuing and performing any obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

"Increased Cost of Hedging" means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity price risk of the Issuer entering into 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 shall not be deemed an Increased Cost of Hedging;

"Index Component Disruption Event" means:

- (i) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (ii) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

"Initial Commodity Reference Price" means as of the Strike Date (or such other definition, if any, as may be specified in the applicable Final Terms), (i) in respect of any Commodity, the Commodity Reference Price specified in the applicable Final Terms or, if not so specified the official price of such Commodity at the Valuation Time; (ii) in respect of any basket of Commodities, the weighted average of the Commodity Reference Prices specified in the applicable Final Terms or, if not so specified the weighted average of the official prices of such Commodities comprising the basket at the Valuation Time; (iii) in respect of any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms or, if not so specified, the official closing price of such Commodity Index; and (iv) in respect of any basket of Commodity Indices, the weighted average of the Commodity Reference Prices specified in the applicable Final Terms or, if not so specified, the weighted average of the official closing prices of such Commodity Indices;

"Material Change in Content" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Component;

"Material Change in Formula" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price;

"Nearby Month", when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (A) **"First Nearby Month"** means the month of expiration of the first Futures Contract to expire following that Pricing Date; (B) **"Second Nearby Month"** means the month of expiration of the

second Futures Contract to expire following that Pricing Date; and (C) "**Sixth Nearby Month**" means the month of expiration of the sixth Futures Contract to expire following that Pricing Date;

"**Postponement**" means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback only, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) for consecutive Commodity Business Days equal in number to the Specified Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the applicable Final Terms will apply;

"**Price Fixation Event**" means the enactment, promulgation, execution or notification of, or any change in or amendment to, any law (or the application or interpretation of any law, as determined by a court or regulatory authority of competent jurisdiction or as determined by the opinion of independent legal counsel nominated by the Issuer) that occurs after the Issue Date which would result in the fixing of the prices at which any relevant Commodity may be bought and sold which does not reflect normal market response to supply and demand vis a vis that which would exist if prices were not so fixed;

"**Price Source**" means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the applicable Final Terms in relation to the relevant Commodity Reference Price;

"**Price Source Disruption**" means (i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (ii) the temporary or permanent discontinuance or unavailability of the Price Source;

"**Pricing Date**" means each Valuation Date and/or Observation Date and/or each other date specified as such in the applicable Final Terms or if that is not a Commodity Business Day the immediately succeeding Commodity Business Day;

"**Reference Dealers**" means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

"**Relevant Price**" means, for any Pricing Date in respect of which any of the circumstances specified in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*) are applicable, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or the price of the Basket, as determined with respect to that day for the specified Commodity Reference Price calculated as provided in this Part G and the applicable Final Terms;

"**Scheduled Closing Time**" means, in respect of an Exchange, the scheduled weekday closing time of such Exchange on such Commodity Business Day, without regard to after hours or any other trading outside of the regular trading session hours;

"**Specified Maximum Days of Disruption**" means five (5) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"**Specified Price**" means, in respect of a Commodity Reference Price any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the applicable Final Terms on the Pricing Date;

"**Successor Index**" means where the Commodity Index is (i) not calculated and announced by the sponsor of such Commodity Index but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Commodity Index, such successor index or index calculated and announced by the successor sponsor;

"**Strike Price**" means the price (if any) specified as such in the applicable Final Terms;

"Tax Disruption" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index, Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal;

"Trade Date" means the date specified as such in the applicable Final Terms;

"Trading Disruption" means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Component on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (i) a suspension of the trading in the Futures Contract, Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (a) all trading in the Futures Contract, Commodity or Component, as the case may be, is suspended for the entire Pricing Date; or
 - (b) all trading in the Futures Contract, Commodity or Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (ii) a limitation of trading in the relevant Futures Contract, Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Component, as the case may be, on such day is at the upper or lower limit of that range;

"Valuation Time" means, in relation to each Commodity or Commodity Index to be valued on any date, any such time on such date at which the Commodity Reference Price announced or published by an Exchange is available; and

"Weighting" has the meaning specified in the applicable Final Terms.

2. **Market Disruption**

"Market Disruption Event" means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (i) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price and/or a Price Fixation Event; and in addition
- (ii) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and
- (iii) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 13 (*Notices*) of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

3. **Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks**

3.1 ***Consequences of a Market Disruption Event and Disruption Fallbacks***

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices/or that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent shall apply the applicable Disruption Fallback in respect of the relevant Market Disruption Event in determining the consequence of the Market Disruption Event, or, if in the sole and absolute discretion of the Calculation Agent, it is not possible to apply the specified Disruption Fallback, the Calculation Agent shall apply the next applicable Disruption Fallback as specified in the applicable Final Terms. A Disruption Fallback is applicable if it is specified in the applicable Final Terms and shall apply in the order so specified. If no Disruption Fallback is specified, the Calculation Agent shall take the relevant actions specified below:

3.2 *Disappearance of Commodity Reference Price, a Material Change in Formula, or a Material Change in Content*

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is in existence (i) a Disappearance of Commodity Reference Price, or (ii) a Material Change in Formula, or (iii) a Material Change in Content, then:

- (a) the Calculation Agent shall determine if such event has a material effect on the Notes and, if so, shall calculate the relevant Interest Amount and/or make another relevant calculation using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Pricing Date as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity or Component, as the case may be, and any other information that in good faith it deems relevant; or
- (b) unless Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with Condition 13 (*Notices*), the Issuer shall redeem all but not some of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less any Associated Hedging Costs, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 (*Notices*); or
- (c) if Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note, taking into account the Market Disruption Event, less any Associated Hedging Costs (the "**Calculated Market Disruption Amount**") as soon as practicable following the occurrence of the Market Disruption Event (the "**Calculated Market Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to the Calculated Market Disruption Amount plus interest accrued from and including the Calculated Market Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time.

3.3 *Consequences of a Tax Disruption*

If the Calculation Agent determines in good faith that a Tax Disruption has occurred or exists in respect of a Pricing Date, the Calculation Agent shall determine if such Tax Disruption has a material effect on the Notes and if so (i) shall effect any adjustments that it deems in good faith necessary to the terms and conditions of the Notes or, (ii) if it determines that such adjustments cannot be made on giving notice to Noteholders in accordance with Condition 13 (*Notices*), the Issuer shall redeem all, but not some, of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note, less any Associated Hedging Costs, all as determined by the Calculation Agent in its sole and absolute discretion.

3.4 *Consequences of a Price Source Disruption, Trading Disruption and Price Fixation Event*

If, with respect to the relevant Pricing Date, a Price Source Disruption, Trading Disruption or a Price Fixation Event has been in existence in excess of the Specified Maximum Days of

Disruption, then the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Relevant Price for that Pricing Date and each subsequent Pricing Date (if any).

3.5 *Consequences of an Index Component Disruption Event*

If the Calculation Agent determines that, on a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source) an Index Component Disruption Event has occurred or exists then the Calculation Agent shall determine the Relevant Price (or a method for determining the Relevant Price) for that Pricing Date and each subsequent Pricing Date (if any).

3.6 *Consequences of Exchange Failure to Open*

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is an existence of an Exchange Failure to Open, the relevant Pricing Date or Automatic Early Redemption Valuation Date, as applicable, will be deemed not to be a Pricing Date or Automatic Early Redemption Valuation Date, as applicable, and the Pricing Date or Automatic Early Redemption Valuation Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Disrupted Day, unless each of the five Commodity Business Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Pricing Date or Automatic Early Redemption Valuation Date, as applicable, is a Disrupted Day. In that case:

- (a) that fifth Commodity Business Day shall be deemed to be the Pricing Date or Automatic Early Redemption Valuation Date, as applicable, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the Relevant Price on that fifth Commodity Business Day in accordance with the formula for and method of calculating such Relevant Price last in effect prior to the occurrence of the first Disrupted Day using the Commodity Price as of the Valuation Time on that fifth Commodity Business Day of each Commodity or Component (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred on that fifth Commodity Business Day, its good faith estimate of the Relevant Price as of the Valuation Time on that fifth Commodity Business Day).

If, in accordance with the paragraphs above, the Automatic Early Redemption Valuation Date is a Disrupted Day, the payment of the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period as specified in the applicable Final Terms) following the postponed Automatic Early Redemption Valuation Date. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Automatic Early Redemption Amount in accordance with this Term.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Notes (copied to the Issuer) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.

4. *Consequences of an Additional Disruption Event*

Following the occurrence of any Additional Disruption Event, the Calculation Agent will, in its sole and absolute discretion, determine whether or not the relevant Notes shall continue and, if so, determine, in its sole and absolute discretion, any adjustments to be made. If the Calculation Agent determines that the relevant Notes shall continue, it may make such adjustment(s) as it, in its sole and absolute discretion, determines to be appropriate, if any, to the formula for the Final Redemption Amount set out in the applicable Final Terms and any other variable relevant to the payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent in its sole and absolute discretion. If the Calculation Agent determines in its sole and absolute discretion that the relevant Notes shall be terminated, then the Notes shall be terminated as of the date selected by the Calculation Agent in its sole and absolute discretion and the entitlements of the relevant

Noteholders to receive the relevant Final Redemption Amount (or any other payment to be made by the Issuer), as the case may be, shall cease and the Issuer's obligations under the relevant Notes shall be satisfied in full upon payment of such amount, less any Associated Hedging Costs, as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion) is fair in the circumstances by way of compensation for the termination of the Notes.

5. **Correction of Commodity Reference Price**

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Notes, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. **Knock-in Event and Knock-out Event**

6.1 If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, 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.

6.2 If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, 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.

6.3 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 on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Commodity Reference Price triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

6.4 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, 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.

7. **Definitions relating to Knock-in Event/Knock-out Event**

Unless otherwise specified in the applicable Final Terms:

"Knock-in Determination Day" means the date(s) specified as such in the applicable Final Terms;

"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 (i) in the case of a single Commodity, that the Commodity Reference Price determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a Basket, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Commodity as the product of (x) the Relevant Price as of the Knock-in Valuation Time on any Knock-in Determination Day

and (y) the relevant Weighting is (A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Price, as specified in the applicable Final Terms;

"Knock-in Price" means (i) in the case of a single Commodity, the Relevant Price or (ii) in case of a Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*);

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity 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 Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

"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;

"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 (i) in the case of a single Commodity, that the Relevant Price determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (ii) in the case of a Basket, that the amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (x) the Commodity Reference Price as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms;

"Knock-out Price" means (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*);

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity 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 Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day; and

"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.

8. **Automatic Early Redemption**

For the purposes of the Notes, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if the Calculation Agent determines that on any Automatic Early Redemption Valuation Date or during one or more Observation Dates the Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or (in the case of the occurrence of an Automatic Early Redemption Event during one or more Observation Dates) on the date that is five Business Days (or such other period as is specified in the applicable Final Terms) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Issuer on such date upon redemption of each such Notes shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Notes or determination pursuant to this Term to holders of the Notes (copied to the Issuer).

9. **Definitions relating to Automatic Early Redemption**

Unless otherwise specified in the applicable Final Terms:

"**Automatic Early Redemption Amount**" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, (a) an amount specified as such in the applicable Final Terms, or, if no such amount is specified, (b) an amount per Note equal to the product of (i) the Issue Price and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, all as determined by the Calculation Agent in its sole and absolute discretion;

"**Automatic Early Redemption Date(s)**" means, if "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, each of the date(s) specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*).

"**Automatic Early Redemption Event**" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, (unless otherwise specified in the applicable Final Terms) that the Commodity Price is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price, as determined by the Calculation Agent in its sole and absolute discretion;

"**Automatic Early Redemption Price**" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, the Commodity Price specified as such or otherwise determined in the applicable Final Terms;

"**Automatic Early Redemption Rate**" means, in respect of any Automatic Early Redemption Date and if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, the rate specified as such in the applicable Final Terms; and

"**Automatic Early Redemption Valuation Date(s)**" means, if "Automatic Early Redemption" is specified as being applicable in the relevant Final Terms, each of the date(s) specified as such in the applicable Final Terms or, subject to adjustment from time to time in accordance with the provisions set forth in Term 3 (*Consequences of an Exchange Failure to Open, a Market Disruption Event and Disruption Fallbacks*).

PRO FORMA FINAL TERMS FOR COMMODITY-LINKED NOTES/COMMODITY INDEX-LINKED NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17 /19].²¹]

[Date]

Investec Bank plc
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the [•]
£2,000,000,000 Impala Structured Notes Programme

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]²²

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU).]²³

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering the

²¹ To be included in respect of all issues which are to be admitted to listing. Delete 17 or 19 as appropriate. Listing Rule 19 applies to securitised derivatives. Listing Rule 17 applies to debt securities, asset-backed securities and convertible securities.

²² Include this legend where a non-exempt offer of Notes is anticipated.

²³ Include this legend where a non-exempt offer of Notes is anticipated.

suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "Risk Factors" in the Base Prospectus referred to below.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [•] 2012 [and the supplemental Prospectus[es] dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as supplemented]. The Base Prospectus [and the supplements thereto] are available for viewing at and copies may be obtained during normal working hours from Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB [/ Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE]].

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing Final Terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | |
|----|---|--|
| 1. | Issuer: | Investec Bank plc |
| 2. | [(a)] Series Number: | [•] |
| | [(b)] Tranche Number: | [•] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> | |
| 3. | Specified Currency or Currencies: | [•] |
| 4. | Aggregate Nominal Amount: | |
| | [(a)] Series: | [•] |
| | [(b)] Tranche: | [•] |
| 5. | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6. | (a) Specified Denominations: | [•] |
| | (b) Calculation Amount: | [•] |
| | <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.]</i> | |
| 7. | (a) Issue Date: | [•] |
| | (b) Interest Commencement Date: | [Specify/Issue Date/Not applicable] |

8. Maturity Date: *[Specify date for Floating Rate Notes only - Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: *[[•] per cent. Fixed Rate]*
[[LIBOR/EURIBOR] +/-[•] per cent. Floating Rate]
[Zero Coupon]
[Dual Currency]
[Commodity-Linked]
[Commodity Index-Linked]
[Specify other]
(further particulars specified below)
[N.B. If the Interest Basis is linked to an underlying covered in a different Part of this Base Prospectus, include specific interest provisions from the relevant Part here. For e.g. if the Interest Basis is FX-Linked, include "FX-Linked Notes Interest Provisions" below]
10. Redemption/Payment Basis: *[Redemption at par]*
[Dual Currency]
[Instalment]
[Partly Paid]
[Commodity-Linked]
[Commodity Index-Linked]
[Specify other]
[N.B. If the Final Redemption Amount is not 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.]
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Call Option: *[Applicable/Not applicable]*
[(further particulars specified below)]
13. Put Option: *[Applicable/Not applicable]*
[(further particulars specified below)]

14. (a) Status of the Notes: Senior
- (b) Security Status: [Unsecured Notes/Secured Notes. The Issuer has designated the Notes as covered bonds].
- (c) [Date [Board] approval for issuance of Notes obtained: [•]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]

15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*

- (a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi - annually/quarterly/other specify] in arrear]

[If payable other than annually, consider amending Condition 4(a) (Interest on Fixed Rate Notes)]

[Condition 4(a) (Interest on Fixed Rate Notes) shall not apply. The interest payable in respect of each Note shall be calculated as follows:

- (xiii) With respect to any Fixed Interest Period (defined below) for which the Bonus Condition (as defined below) is met, the amount of interest ("I") payable in relation to a Note shall be calculated as follows:

$$I = SD \times (\text{Base Rate} + \text{Bonus Rate})$$

- (xiv) With respect to any Fixed Interest Period for which the Bonus Condition is **not** met, the amount of interest payable in relation to a Note shall be calculated as follows:

$$I = SD \times \text{Base Rate}$$

where:

"**Base Rate**" means [•] per cent.;

"**Bonus Averaging Date**" means, in relation to each Fixed Interest Period, the relevant Bonus Averaging End Date and each of the [*specify number*] of [[days]/[Scheduled Trading Days]/[Business Days]/[Exchange Business Days]/[Commodity Business Days]/[*specify other*]] preceding such Bonus Averaging End Date;

"**Bonus Averaging End Date**" means, in relation to each Fixed Interest Period, the date specified in the column headed "Bonus Averaging End Date" in the table below, provided that if such date is not a [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify]], the [[immediately preceding]/[specify]] [[Scheduled Trading Day]/[Business Day]/[Exchange Business Day]/[Commodity Business Day]/[specify other]] shall be the Bonus Averaging End Date;

the "**Bonus Condition**" is deemed to be met in relation to a Fixed Interest Period if the Bonus Level in relation to such Fixed Interest Period is [above] the Initial Level;

"**Bonus Level**" means, with respect to each Fixed Interest Period, the [[daily arithmetic average]/[specify] of the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/[Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on each Bonus Averaging Date for such Fixed Interest Period;

"**Bonus Rate**" means [•] per cent.;

"**Fixed Interest Period**" means each of the periods specified in the column headed "Fixed Interest Period" in the table below;

"**Initial Level**" means the [[Rate]/[Settlement Price]/[Price]/[Value]/[official closing level]/[Commodity Price]/[specify]] of the [specify Underlying Asset(s)] on the [[Issue Date]/[specify]];and

"**SD**" means Specified Denomination.]

<i>Fixed Interest Period</i>		<i>Interest Payment Date</i>	<i>Bonus Averaging End Date</i>
<i>from but excluding</i>	<i>to and including</i>		
[•]	[•]	[•]	[•]

(b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]/[Each date specified in the column headed "Interest Payment Date" in the table in paragraph [16](a) above]/[specify other]

[N.B. This will need to be amended in the case of long or short coupons]

(c) Fixed Coupon Amount(s): [[•] per Calculation Amount/ Not applicable]

(d) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date following [in/on] [•]

(e) Day Count Fraction: [30/360 or Actual/Actual (ICMA/ISDA) or [specify

- other]]*
- (f) Determination Date(s): [•] [in each year]/ [Each Interest Payment Date in the table in paragraph [16](a) above]/[specify other]
- [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*
- N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.*
- N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
17. **Floating Rate Note Provisions** [Applicable/Not applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (a) Specified Period(s)/Specified Interest Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [•]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]
- (g) Screen Rate Determination: [•]
- Reference Rate: [•]
- [Either LIBOR, EURIBOR or other, although additional information is required if "other" – including fallback provisions in Clause [8.2] of the Agency Agreement]*
- Interest Determination Date(s): [•]
- [Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 system is open prior to the start of each*

Interest Period if EURIBOR or euro LIBOR]

- Relevant Screen Page: [•]
[In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.]
- (h) ISDA Determination:
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (i) Margin(s): [+/-] [•] per cent. per annum
- (j) Minimum Rate of Interest: [•] per cent. per annum
- (k) Maximum Rate of Interest: [•] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ICMA/ISDA)]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360]
[30E/360]
[30E/360 (ISDA)]
[Specify other]
(See Condition 4(b) (Interest on Floating Rate Notes) for alternatives)
- (m) Determination Date: [•] [in each year]
NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA).
- (n) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
- 18. **Dual Currency Note Provisions** [Applicable/Not applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]

- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [Give name and address]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [•]
19. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Amortisation: [•] per cent. per annum
- (b) [Reference Price: [•]]
- (c) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction]
- (d) Early Redemption Amount: [Amortised Face Amount/Fair Market Value]

PROVISIONS RELATING TO REDEMPTION

20. Final Redemption Amount of each Note: [•] per Calculation Amount
21. Early Redemption Amount:
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/Final Redemption Amount/ Fair Market Value]
- (If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]*
22. Issuer Call Option [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
- [N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.]*

- (c) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): $[[\bullet]$ per Calculation Amount/Fair Market Value/*specify other*
- (d) Rounding: *[Details of rounding]*
- (e) If redeemable in part:
- (i) Minimum Redemption Amount: $[\bullet]$ per Calculation Amount
- (ii) Maximum Redemption Amount: $[\bullet]$ per Calculation Amount
23. Noteholder Put Option *[Applicable/Not Applicable]*
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): $[\bullet]$
- (b) Notice period (if other than as set out in the Conditions): $[\bullet]$
- (c) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): $[[\bullet]$ per Calculation Amount/Fair Market Value/*specify other*
- (d) Rounding: *[Details of rounding]*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: *[Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]**
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]**
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]**
- [Registered Notes: Registered Global Note ($[\bullet]$ nominal amount)]*
- [Uncertificated Registered Notes]*
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: *[Not applicable/give details]*
- [Note that this item relates to the place of payment and not Interest Period end dates to which item 16(d) relates]*

* If a Global Note is exchangeable for Definitive Notes, the Notes shall be tradable only in principal amounts of at least the Specified Denomination specified in paragraph 6 and multiples thereof.

- [
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not applicable/*give details*]
- (b) Instalment Date(s): [Not applicable/*give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/*give details*]
29. Other final terms: [Not applicable/*give details*]
- [When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

DISTRIBUTION

30. (a) If syndicated, names [and addresses] of Managers: [Not applicable/*give names [and addresses]**]
- [If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.]*
- (b) Date of [Subscription] Agreement: [•]
31. If non-syndicated, name [and address]* of relevant Dealer: [Not applicable/*give name [and address]**]
- [Where the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Dealer.]*
32. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
33. U.S. Selling Restrictions: [Reg. S Compliance Category: [2];
TEFRA D/TEFRA C/TEFRA not applicable]
34. Additional selling restrictions: [Not applicable/*give details*]

TAXATION

35. Taxation: Condition 7A (*Taxation - No Gross up*) [applies/does not apply] [(*Condition 7A will apply for all issues of Notes unless specified otherwise*)]
 [Condition 7B (*Taxation - Gross Up*) [applies/does not apply]]

SECURITY

36. Security Provisions: [Applicable/Not applicable]
 [*Security Provisions will be applicable if the Notes are Secured Notes. If not applicable, delete the remaining sub-paragraphs of this paragraph*]
- (a) Whether Collateral Pool secures this Series of Notes only or this Series and other Series: [This Series only/This Series and other Series].
- (b) Date of Supplemental Trust Deed relating to the Collateral Pool securing the Notes and Series Number of first Series of Secured Notes secured thereby: Supplemental Trust Deed dated [•] securing [this Series only/Series Number [•] among others]
- | (c) Eligible Collateral: | Valuation Percentage | Maximum Percentage |
|--|----------------------|--------------------|
| (i) Cash in an Eligible Currency | [•]% | [•]% |
| (ii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of not more than one year | [•]% | [•]% |
| (iii) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than one year but not more than 10 years | [•]% | [•]% |
| (iv) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than 10 years | [•]% | [•]% |
| (v) Negotiable senior debt obligations issued or guaranteed by any of the following entities: | [•]% | [•]% |

Part G – Commodity-Linked Notes/Commodity Index-Linked Notes

	Name of Entity	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(vi)	Negotiable subordinated debt obligations issued [or guaranteed] by any of the following entities:	[•]%	[•]%
	Name of Entity [and description of subordinated debt, where appropriate]	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(d)	Valuation Dates:	[•]	
(e)	Eligible Currency(ies):	[•]	
(f)	Base Currency:	[•] [NB: Base Currency should be same as Specified Denomination of the Notes]	
(g)	Minimum Transfer Amount:	[•]	
(h)	Independent Amount:	[•]	

37. Collateral Credit-Linkage

- (a) Whether Collateral Credit-Linkage applies to this Series of Secured Notes: [Yes/No]
[If no, delete the remaining sub-paragraphs of this paragraph.]
- (b) If so, whether Simplified Credit-Linkages or ISDA Credit-Linkage applies: [Simplified Credit-Linkage/ISDA Credit-Linkage]

[The following provisions only apply where Simplified Credit-Linkage is applicable. If not, delete this sub-paragraph:]

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	Collateral Reference Entity Weighting (%)
[•]	[•]
[•]	[•]
[•]	[•]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Recovery Rate: [General Recovery Rate]/[Specific Recovery Rate] shall apply.

[The following provisions only apply where ISDA Credit-Linkage is applicable. If not, delete this sub-paragraph:]

[(c)] Collateral Reference Entities:

Name of Collateral Reference Entity	[Transaction type]/[Applicable Credit Events]	Collateral Reference Entity Weighting (%)
[]:	[specify [e.g. North American Corporate] or [[Bankruptcy], [Failure to Pay], [Obligation Acceleration], [Obligation Default], [Repudiation/Moratorium], [Restructuring]]	[]
[]:	[]	[]

[(d)] Collateral Reference Obligation: [specify]/[Not Applicable]

[(e)] Credit Event Redemption Amount: For the purposes of the Credit Event Redemption Amount (but only if Final Price is applicable):

Valuation Method: [Market/Highest/specify other]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange and the listing on the Official List of the Financial Services Authority of Notes described herein pursuant to the £2,000,000,000 Impala Structured Notes Programme of Investec Bank plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. *[[specify the third party information]* has been extracted from *[specify source of information]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source of information]*, no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: By:
Duly authorised *Duly authorised*

PART B – OTHER INFORMATION

1. **LISTING**

- (i) Listing: [London]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market]] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [].] [Not applicable.]

[Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.]

2. **RATINGS**

Ratings: [The long-term senior debt of the Issuer has been rated:/[The Notes to be issued have been rated:

[S & P*: []]

[Moody's*: []]

[Fitch*: []]

[[Other]*: []]

*[*The exact legal name of the rating agency entity providing the rating should be specified-for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.]*

[The Notes to be issued have not been rated.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]

*[Insert legal name(s) of particular credit rating agency/agencies] is/are established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]*

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is endorsed by [insert

legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**")../

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA but is/are certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**")../

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EEA and is/are not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has/they have given to the [Notes]/[long term senior debt securities of the Issuer] is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: []
(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii) Estimated net proceeds: []
[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

[(iii) Estimated total expenses: []
[Include breakdown of expenses]
[If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: []
 Calculated as *[include details of method of calculation in summary form]* on the Issue Date.
 As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a

supplement to the Prospectus under Article 16 of the Prospectus Directive.]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

8. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

9. **OPERATIONAL INFORMATION**

- (i) ISIN Code: []
- (ii) [SEDOL Code:] []
- (iii) Common Code: []
- (iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): []
- (v) Delivery: []
- (vi) Settlement procedures: []
- (vii) Additional Paying Agent(s) (if any): []
- (viii) Common Depository: []
- (ix) Calculation Agent: []
 - is Calculation Agent to make calculations? []
 - if not, identify calculation agent: []
- (x) Other relevant General Terms and Conditions: []
- (xi) Other Final Terms: []

10. **TERMS AND CONDITIONS OF THE OFFER**

- (i) Offer Price: []
- (ii) Offer Period: []
- (iii) Conditions to which the offer is subject: []

- (iv) Description of the application process: []
- (v) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: []
- (vi) Details of the minimum and/or maximum amount of application: []
- (vii) Details of the method and time limits for paying up and delivering the Notes: []
- (viii) Manner in and date on which results of the offer are to be made public: []
- (ix) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: []
- (x) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: []
- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: []
- (xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: []
- (xiii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: []

ANNEX A
COMMODITY-LINKED/ COMMODITY INDEX-LINKED NOTES PROVISIONS

The following apply to Notes that are Commodity-Linked/ Commodity Index-Linked Notes only

- | | | | |
|--------|---|--|---|
| (i) | Commodity-Linked/
Commodities/
Commodity Index/
Commodity Indices: | [specify
Linked/Commodities/Commodity
Commodity Indices] | Commodity-
Index/
Commodity
Indices] |
| | | [The Sponsor[s] of the
Index/Indices is/are [specify]] | Commodity |
| (ii) | Pricing Date(s): | [specify] | |
| (iii) | Trade Date: | [specify] | |
| (iv) | Barrier Level: | [specify] | |
| (v) | Strike Price: | [specify] | |
| (vi) | Commodity Reference Price: | [specify] | |
| | | The Price Source is/are [specify] | |
| (vii) | Commodity Price: | [specify] | |
| (viii) | Delivery Date: | [specify] | |
| (ix) | Nearby Month: | [specify] | |
| (x) | Specified Price: | [high price]
[low price]
[average of the high price and the low price]
[closing price]
[opening price]
[bid price]
[asked price]
[average of the bid price and the asked price]
[settlement price]
[official settlement price]
[official price]
[morning fixing]
[afternoon fixing]
[spot price]
[other] | |
| (xi) | Exchange: | [specify] | |
| (xii) | Disruption Fallback(s): | [As per Term 7 (Definitions)]/[specify] | |
| (xiii) | Valuation Dates(s): | [specify] | |
| (xiv) | Observation Date(s): | [specify] | |
| (xv) | Specified Maximum Days of Disruption: | [specify] [Commodity Business Days] | |
| (xvi) | Knock-in-Event: | [Not applicable/specify/ ["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]] | |
| | | (If not applicable, delete the remaining sub-paragraphs of this paragraph) | |

- (a) Knock-in Price: [specify]
- (b) Knock-in Period Beginning Date: [specify]
- (c) Knock-in Period Beginning Date [Not applicable/Applicable]
Commodity Business Day
Convention:
- (d) Knock in Determination Period: [specify]
- (e) Knock in Determination Day(s): [specify]
- (f) Knock-in Period Ending Date: [specify]
- (g) Knock-in Period Ending Date [Not applicable/Applicable]
Commodity Business Day
Convention:
- (h) Knock-in Valuation Time: [specify/See definition in Term 7 (*Definitions relating to Knock-in Event/ Knock-out Event*)] [Valuation Time.]
- (xv) Knock-out Event: [Not applicable/specify/ ["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]
- (a) Knock-out Price: [specify]
- (b) Knock-out Period Beginning Date: [specify]
- (c) Knock-out Period Beginning Date [Not applicable/Applicable]
Commodity Business Day
Convention:
- (d) Knock out Determination Period: [specify]
- (e) Knock out Determination Day(s): [specify]
- (f) Knock-out Period Ending Date: [specify]
- (g) Knock-out Period Ending Date [Not applicable/Applicable]
Commodity Business Day
Convention:
- (h) Knock-out Valuation Time: [specify/See definition in Term 7 (*Definitions relating to Knock-in Event/ Knock-out Event*)] [Valuation Time]
- (xvi) Delayed Redemption on the occurrence of a Market Disruption Event: [Applicable/Not applicable]
- (xvii) Weighting: The Weighting to be applied to each item comprising the Commodity Basket is [specify]
- (xviii) Other terms or special conditions: [Not applicable]/[specify]
- (xix) Automatic Early Redemption: [Applicable/Not applicable]

[If not applicable, delete the automatic early redemption provisions which follow]
- (a) Automatic Early Redemption Amount: [specify or delete if N/A]

- (b) Automatic Early Redemption Date(s): [specify date(s) or delete if N/A]
[If Commodity-Linked Notes may be redeemed as a result of an Automatic Early Redemption Event during a series of one or more Observation Dates, then specify if redemption is not to take place five Business Days after the Automatic Early Redemption Event]
- (c) Automatic Early Redemption Event: [greater than/ greater than or equal to/ less than/ less than or equal to/ other-specify] [complete as appropriate]
- (d) Automatic Early Redemption Price: [specify or delete if N/A]
- (e) Automatic Early Redemption Rate: [specify or delete if N/A]
- (f) Automatic Early Redemption Valuation Date(s): [specify date(s) or delete if N/A]

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 - the accuracy or completeness of the Euro STOXX® 50 Index and its data;
 - the merchantability and the fitness for a particular purpose or use of the Euro STOXX® 50 Index and its data;
- STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the Euro STOXX® 50 Index or its data; and
- under no circumstances will STOXX or its Licensors be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or its Licensors knows that they might occur.

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Description of Even 30™ Index

[Description included at the following page]

EVEN 30™ Index



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This document (the 'Index Description') summarizes the methodology and rules of the EVEN 30™ Index (the 'Index'). Last revision date: 17 August 2011.

Capitalized terms that are not defined in the text of this Index Description shall bear the meaning as defined in Section 8 – Definitions and Interpretation.

1. Introduction

1.1 Executive Summary

The EVEN 30™ Index represents a risk managed equity index, designed to track the price movements and reflect the performance of a dynamic portfolio of thirty equity securities traded on the London Stock Exchange.

The Index is constructed around a dynamic basket of equity securities. Thirty equity securities are selected on a monthly basis from a Selection Universe using a selection procedure. The selection is made using a risk-based analysis of the compounded returns of the individual equities over various historical periods.

The Index has been developed by Investec Bank plc as Index Sponsor and is independently calculated, published and rebalanced by Finvex Group as 'Calculation Agent'.

In order to ensure that the Index complies with the index objective, the Index Sponsor has the right to change the Index Rules, subject to the prior written consent of the Calculation Agent, and subject to Index amendment procedures described in Section 2.1.

The Index Sponsor and the Calculation Agent make no representation or warranty that the Index will achieve the index objective.

1.2 General Description

The overall objective of the Index is to reflect the performance of a certain equity investment strategy (the 'Index Objective').

Thirty securities are selected on a monthly basis from a selection universe comprising the 100 highest capitalised equity securities traded on the London Stock Exchange (the 'Selection Universe'). This selection is made by applying selection criteria and a selection procedure designed by the Index Sponsor, which seeks to identify stable companies based on a risk analysis of the compounded returns over various historical periods.

The Selection Procedure consists of several steps. Firstly, all equity securities traded on the London Stock Exchange and included in the Selection Universe are screened to ensure each Eligible Security is an operating company. Secondly, a series of proprietary selection criteria are applied. These criteria aim to determine those securities which demonstrate the most stable risk profile. The Selection Procedure is fixed and can only be altered according to the Index amendment procedures as described in Section 2.1.

On each Index Selection Date, 30 Eligible Securities are selected from the Selection Universe to constitute the Component Security Set, the so-called 'Equity Constituent' of the Index.

In order to optimize the stability of the Index, on any Index Calculation Date for which the Realized Volatility of the Equity Constituent is observed, the Index Allocation Percentage of the Equity Constituent may be adjusted. Where the Realized Volatility of the Equity Constituent is above the floating Target Volatility Level, the Index Allocation Percentage will be reduced. Conversely, where the Realized Volatility of the Equity Constituent is lower than the floating Target Volatility Level, the Index Allocation Percentage to the Equity Constituent will be increased, subject to a maximum exposure of 100%. The floating Target Volatility Level computed on each Index Calculation date is compared to the Realized Volatility of the Equity Constituent over the 22 preceding Index Calculation Dates and is applied to the Index.

The Component Securities of the Equity Constituent are equally-weighted in order to prevent a few large Component Securities from potentially distorting the Index risk or return.

The Index is calculated on a daily basis on each Index Calculation Date, on the following Close of Business and is based on Component Security Weights and Closing Prices.

The Index Level is expressed in GBP (the 'Index Reference Currency').

The Index has been constituted by the Index Sponsor, with an initial level of 1,000 (the 'Index Base Level') as of 16 January 1998 (the 'Index Base Date').

The Index will rebalance on a monthly basis, on each Index Rebalancing Date (being two Index Calculation Dates following the Index Selection Date in each month). On each Index Rebalancing Date the Component Security Weights are reset to 1/30th of the new Component Security Set.

Unless otherwise stated, all determinations of the Index Sponsor and Calculation Agent shall be made in accordance with the terms set out in this Index Description and, save for manifest error, all such determinations shall be binding.

2. Index construction

This section outlines the key steps followed in order to determine the composition of the Index, including Selection Criteria, Component Security Weight and scheduled Periodic Review, together the 'Selection Procedure'.

2.1 Discretion of the Index Sponsor

Subject to the prior written consent of the Calculation Agent (such consent not to be unreasonably withheld), the Index Sponsor shall have discretion to make any changes to the rules governing the design and calculation of the Index which it determines to be necessary in order to ensure that the Index complies with the Index Objective. All such determinations and amendments made by the Index Sponsor shall be final, conclusive and binding in the absence of manifest error.

Where the Index Sponsor exercises such discretion, this Index Description shall be updated as soon as reasonably practicable, further to a notification period of at least 5 Business Days following the date of any announcement. A record of such changes shall be kept in Appendix 3. Such notification will be agreed in writing between the Index Sponsor and the Calculation Agent and announced publicly via the RNS of the Index Sponsor. No notification period shall apply for changes due to market liquidity in relation to an Eligible Security or Component Security or due to Hedging Activity of the Index Sponsor and/or any of its affiliates.

Unless otherwise provided, all determinations made by the Index Sponsor in consultation with the Calculation Agent shall be made in good faith. Neither the Index Sponsor nor the Calculation Agent accept any liability whatsoever for any losses resulting from supplementing, amending or revising the Index Description.

All changes to the Index Rules shall be made in accordance with this Index Description.

2.2 Index Base Date, Index Reference Currency and Index Base Level

The Index has the following Index Base Date, Index Reference Currency and Index Base Level:

Index	Index Base Date	Index Reference Currency	Index Base Level
EVEN 30™ Index	16 January 1998	GBP	1,000

2.3 Selection Criteria

The Selection Universe consists of the securities issued by the 100 most highly capitalized corporates whose primary listing is on the London Stock Exchange.

In order to qualify as an Eligible Security, each such security must also satisfy the following requirements or Selection Criteria for each Index Selection Date:

- each Eligible Issuer, being a Component Security Issuer, must be an operating company; and
- each Eligible Issuer cannot be a Closed-End Fund, Exchange Traded Fund (ETF), Structured Investment Vehicle (SIV) or Royalty Trust.

Please note that prior to the Live Date for the EVEN 30™ Index, the above filter has not been applied to the historical constituents of the EVEN 30™ Index.

The securities to be included in the Index on the Index Base Date and on each Index Selection Date shall be selected on the following basis from amongst the Eligible Securities in the Selection Universe:

- The Eligible Securities are ranked by stability, based on the analysis of risk observed via the compounded price movements of each individual security over various periods of between 1 and 3 years. The selection methodology will attach more weight to long-term stability. The 30 most stable Eligible Securities on the Index Base Date and on each Index Selection Date will form the List of Eligible Securities (or 'LES' – the Component Securities which constitute the Index) in relation to the next following Index Rebalancing Date and shall be removed from the Selection Universe for the purpose of creating the Reserve List.
- Subsequently, the remaining Eligible Securities in the Selection Universe are arranged by GICS Sector and the most stable Eligible Security from each Sector is selected. These 10 Eligible Securities will form the Reserve List (or 'RL'). This list will be maintained for the purpose of potentially replacing Component Securities, as required, between two Periodic Reviews, as determined by the Calculation Agent in consultation with the Index Sponsor. A Component Security may only be replaced by an Eligible Security appearing on the RL within the same GICS Sector. If this is not possible, the Index Sponsor, in consultation with the Calculation Agent will determine in good faith the replacing Eligible Security.

The initial LES is provided in Appendix 1 and the initial RL is provided in Appendix 2.

The LES and the RL will be determined by the Index Sponsor and the Calculation Agent on each Index Selection Date, unless such day is a Disrupted Index Calculation Date, in which case the LES and RL will be determined on the next Index Calculation Date which is not a Disrupted Index Calculation Date (such date being the Index Selection Date).

The Index Sponsor may, in its sole and absolute discretion, take into account such other criteria in order to exclude any security as an Eligible Security if, in the Index Sponsor's opinion, and in consultation with the Calculation Agent, it is reasonable to do so. Examples of such criteria may include, without limitation: (a) restrictions related to the holding by the Index Sponsor (or any entity of the Index Sponsor) of any Component Security, or (b) uncertainty expressed by the Index Sponsor (or any entity of the Index Sponsor) concerning the tax treatment of any holding or proposed holding of any Component Security and/or of the dividends of any Component Security.

Neither the Index Sponsor nor the Calculation Agent accept or shall incur any liability for inaccuracies or errors in making any such selections.

Additional changes to the LES and/or to the RL may be required further to certain Corporate Actions affecting Eligible Issuers, Component Security Issuers or Component Securities as determined by the Calculation Agent together with the Index Sponsor.

The Index Sponsor will comply with the Selection Procedure described within this Index Description.

2.4 Equal Component Security Weight

The Component Security percentage amount included in the Equity Constituent is designed to be equal on each Index Rebalancing Date as set out in Section 3.3 and any Index Rebalancing will be effective on each Index Rebalancing Date.

2.5 Periodic Review

The Periodic Review is carried out in accordance with the following Review Timetable, using the latest available data:

Index Selection Date	means the fourteenth calendar day of each month unless such day is not an Index Calculation Date in which case the next following Index Calculation Date shall be the Index Selection Date. The Index Base Date is 16 January 1998, using data available at Close of Business on 14 January 1998. New Component Securities for the Index are determined, based on the Selection Universe available, on each Index Selection Date, unless such day is a Disrupted Index Calculation Date, in which case such determination will be made on the next following Index Calculation Date.
Index Rebalancing Date	means two Index Calculation Dates following the Index Selection Date in each month when any replacement of Component Securities with New Component Securities selected on an Index Selection Date shall be made and Component Security percentage amounts are reset, unless such day is a Disrupted Index Calculation Date, in which case such Index Rebalancing Date shall be the next following Index Calculation Date which is not a Disrupted Index Calculation Date.
Index Rebalancing Period	means the period between two Index Rebalancing Dates.

On each Index Selection Date, the Index Sponsor shall provide the Calculation Agent with the new LES and the new RL, such that the Calculation Agent may perform the Index Rebalancing on the Index Rebalancing Date.

The Calculation Agent shall determine, on the basis of information provided by the Index Sponsor (i) the composition of the Index on the Index Base Date and (ii) any changes to the composition of the Index to be made on each Index Rebalancing Date, in relation to each Index Rebalancing Period.

2.6 Dividend Treatment

The Index is a price return index that uses the Closing Price of each of the 30 Component Securities, net of dividends. There are no dividend reinvestments in the Index.

3. Index composition

The Index Level on each Index Calculation Date t (the 'Index Level' or ' $I(t)$ ') is calculated using the following formula:

3.1 Price Return Component Security – Calculation

The Price Return of each Component Security i included in the Component Security Set of k -th Index Rebalancing is calculated on each Index Calculation Date t , provided a Closing Price has been published for that day.

$$P_{k,i}(t_0) = S_{k,i}(t_0)$$

$$P_{k,i}(t) = P_{k,i}(t-1) \times \frac{S_{k,i}(t)}{S_{k,i}(t-1)}$$

t is the Index Calculation Date t which is different to t_0 ;

t_0 is the Index Base Date and afterwards, the 22nd Index Business Day prior to the k -th Index Rebalancing Date;

k is the k -th Index Rebalancing;

I_k is the Component Security Set of k -th Rebalancing;

(k,i) is the i -th Component Security of I_k ;

$S_{k,i}(t)$ is the Closing Price of Component Security (k,i) on Index Calculation Date t ;

$P_{k,i}(t)$ is the Price Return of Component Security (k,i) on Index Calculation Date t ;

3.2 Rebalanced Component Security Set – Calculation

During each k -th Index Rebalancing Period, the Rebalanced Component Security Set value is computed on each Index Calculation Date t provided that a Price Return has been published on that day for each Component Security i since the relevant Index Rebalancing Date t_k . It reflects the Rebalanced Component Security Set value calculated on the Index Rebalancing Date t_k multiplied by the weighted Sum of the Price Return of each Component Security i included in the Component Security Set of k -th Index Rebalancing. The Rebalanced Component Security Set value on the Index Base Date is automatically set equal to 1.

As a formula:

$$\forall i \in I_k, \forall k \in K \text{ and } \forall t_k \leq t \leq t_{k+1}$$

$$\begin{cases} B(t) = B(t_k) \times \left[\sum_{i \in I_k} cw_{k,i} \times \frac{P_{k,i}(t)}{P_{k,i}(t_k)} \right] \\ B(t_0) = B(t_k) = 1 \end{cases}$$

Notations:

t_0 is the Index Base Date;

t is the Index Calculation Date t ;

t_k is the k -th Index Rebalancing Date;

t_{k+1} is the $k+1$ -th Index Rebalancing Date;

K is the Set of k -th Index Rebalancings;

$P_{k,i}(t)$ is the Closing Price of Component Security (k,i) on Index Calculation Date t ;

$B(t)$ is the Rebalanced Component Security Set value on Index Calculation Date t ;

$cw_{k,i}$ is the weight in percentage of Component Security (k,i) to be included in I_k of k -th Index Rebalancing Date, defined in Section 3.3.

3.3 Component Security Set – Rebalancing

On each Index Rebalancing Date tk , the previous Component Security Set of $k-1$ -th Index Rebalancing Period is rebalanced in accordance with the provisions outlined in Section 2 in order to determine the new Component Security Set with effect from the k -th Index Rebalancing Date.

This new Component Security Set is determined by adding the newly selected Component Securities; i.e. the Component Securities not comprised in the Component Security Set of $k-1$ -th Index Rebalancing to the old Component Securities that were already selected in the Component Security Set of $k-1$ -th Index Rebalancing and removing the old Component Securities that are not selected.

As a Formula:

$$\forall k \in K$$

$$I_k = (I_{k-1} - I_k^{out}) \cup I_k^{in}$$

Notations:

K is the Set of k -th Index Rebalancings;

k is the k -th Index Rebalancing;

I_k is the Component Security Set of k -th Index Rebalancing;

I_k^{out} is the Component Securities to be removed from Component Security Set on k -th Index Rebalancing Date;

I_k^{in} is the Component Securities to be included in the Component Security Set on k -th Index Rebalancing Date.

The Purpose of the Rebalancing is to effect a re-allocation of the Index Level from the previous Component Securities to the new Component Securities. Accordingly, for the determination of the Component Security Weight of each new Component Security i and of each remaining old Component Security i on the Index Rebalancing Date t_k , the equal-weighted methodology is applied to re-set the weighting of each Component Security i to be equal to $1/\text{Card}(I_k)^{\text{th}}$ of the new Component Security Set, $\text{Card}(I_k)$ corresponding to the total number of Component Securities constituting the new Component Security Set resulting from the k -th Index Rebalancing.

As a formula:

$$\forall k \in K \text{ and } \forall i \in I_k$$

$$cw_{k,i} = \frac{1}{\text{Card}(I_k)}$$

$$\sum_{i \in I_k} cw_{k,i} = 1$$

Notations:

K is the Set of k -th Index Rebalancings;

k is the k -th Index Rebalancing;

tk is the k -th Index Rebalancing Date;

I_k is the Component Security Set of k -th Index Rebalancing;

$\text{Card}(I_k)$ is the Cardinality of I_k which corresponds to the number of Component Securities Set of k -th Index Rebalancing;

$cw_{k,i}$ is the equal weight in percentage of Component Security (k,i) to be included in I_k of k -th Index Rebalancing Date.

For the avoidance of any doubt and unless otherwise agreed between the Index Sponsor and the Calculation Agent, any changes to the Component Security Set occurring between two Index Rebalancing Dates requires a notification period of at least 5 Business Days between the date of the announcement of such changes and the effective date of any such changes. Such changes include:

1. An Index Rebalancing, where a new Eligible Security is introduced from the RL in order to replace a Component Security which has ceased to trade; and/or
2. A price adjustment which has occurred since the last Index Rebalancing Date (e.g. stock splits or other events that have no impact on the valuation of the underlying company, but can have a diluting or concentrating effect on the value of each individual share); and/or
3. Any other adjustment defined in Section 4 or adjustment as the Index Sponsor deems appropriate, in consultation with the Calculation Agent.

In each case, the Index Sponsor, in consultation with the Calculation Agent, shall decide whether or not to make the adjustments in order to maintain the stability and consistency of the Index as it deems necessary.

3.4 Target allocation – Calculation

During each k -th Index Rebalancing Period, a Dynamic Exposure Factor is applied on each Index Calculation Date t to the effective Rebalanced Component Security Set (i.e. the Equity Constituent of the Index) to determine the Index Level as described in the Index Calculation outlined in Section 3.5.

The Dynamic Exposure Factor, i.e. the Index Allocation Percentage to the Rebalanced Component Security Set, is determined on the basis of a Dynamic Target Exposure Factor determined daily by reference to a floating Target Volatility Level and to the Realised Volatility of the Rebalanced Component Security Set corresponding to the last known static Rebalanced Component Security Set as defined on the Index Rebalancing Date t_k and which is effective from Index Rebalancing Date t_k up to Index Rebalancing Date t_{k+1} .

The maximum Index Allocation Percentage to the Rebalanced Component Security Set derived on each Index Calculation Date t during each Index Rebalancing Period from the Target Dynamic Exposure Factor is fixed at 100%.

As a formula:

$$\forall t_k \leq t \leq t_{k+1}$$

$$w_{tg(t)} = \text{Min} \left(\text{Max} \left(\frac{TVL(t)}{\sigma_{B_k}^{histo}(t)}, 0\% \right), 100\% \right)$$

Where:

$$TVL(t) = \left(50\% \times \sigma_{SU_k}^{histo}(t) \right) + 5\%$$

$$w_0 = w_1 = w_{tg(0)}$$

Notations:

t is the Index Calculation Date t ;

t_k is the k -th Index Rebalancing Date;

t_{k+1} is the $k+1$ -th Index Rebalancing Date;

w_t is the Index Allocation Percentage to the Rebalanced Component Security Set on Index Calculation Date t ;

w_0 is the Index Allocation Percentage to the Rebalanced Component Security Set on t_0 ;

$w_{tg(t)}$ is the Index Target Allocation Percentage to the Rebalanced Component Security Set on the Index Calculation Date t ;

$\sigma_{B_k}^{histo}(t)$ is the Realised Volatility of k -th last known Rebalanced Component Security Set on the Index Calculation Date t (as outlined below);

$TVL(t)$ is the floating Target Volatility Level;

$\sigma_{SU_k}^{histo}(t)$ is the Realised Volatility of k -th last known Selection Universe on the Index Calculation Date t (as outlined below);

The Dynamic Exposure Factor is derived on each Index Calculation t from the Target Dynamic Exposure Factor as follows:

$$\forall t_k \leq t \leq t_{k+1}$$

$$(i) \text{ If } w_t < 97.5\% \times w_{tg(t)} \text{ or } w_t > 102.5\% \times w_{tg(t)} \rightarrow w_{t+2} = w_{tg(t)},$$

the Index re-allocation Percentage on Index Calculation Date $t+2$ correspond to the Index Target Allocation Percentage calculated on Index Calculation Date t ;

$$(ii) \text{ If } 97.5\% \times w_{tg(t)} \leq w_t \leq 102.5\% \times w_{tg(t)} \rightarrow w_{t+2} = w_t,$$

the Index re-allocation Percentage on Index Calculation Date $t+2$ correspond to the Index Allocation Percentage on Index Calculation Date t ;

$$(iii) \text{ If } w_{t+1} = w_{tg(t-1)}$$

$w_{tg(t-1)}$ and $w_{tg(t)}$ will be compared as follows to determine the Index re-allocation Percentage on Index Calculation Date $t+2$:

$$(iii.a) \text{ If } w_{tg(t)} < 97.5\% \times w_{tg(t-1)} \text{ or } w_{tg(t)} > 102.5\% \times w_{tg(t-1)} \rightarrow w_{t+2} = w_{tg(t)},$$

$$(iii.b) \text{ If } 97.5\% \times w_{tg(t-1)} \leq w_{tg(t)} \leq 102.5\% \times w_{tg(t-1)} \rightarrow w_{t+2} = w_{t+1}.$$

For the avoidance of doubt, the first effective Index Allocation Percentage to the Rebalanced Component Security Set (based on the Index Target Allocation Percentage calculated on the 1st Index Calculation Date following the Index Base Date) will occur on the 3rd Index Calculation Date following the Index Base Date. On the Index Base Date and on the 1st

Index Calculation Date following the Index Base Date, the values of the Dynamic Exposure Factor will be automatically set at the Index Target Allocation Percentage calculated on the Index Base Date on the basis of the initial Component Security Set.

Moreover, both Index Allocation Percentages to the Rebalanced Component Security Set (target and effective, as outlined here above) are rounded up to two decimal places (i.e. to the percentage point) on each Index Calculation Date.

On each Index Calculation Date t , the effective Realised Volatility (for the last known Rebalanced Component Security Set as well as for the last known Selection Universe) are used to calculate the Target Dynamic Exposure Factor on Index Calculation Date t .

As a formula:

for $t \leq t_{k+1}$

$$B_k^{static}(t) = B_k^{static}(t_k) \times \sum_{i \in I_k} cw_{k,i} \times \frac{P_{k,i}(t)}{P_{k,i}(t_k)}$$

$$\sigma_{B_k}^{histo}(t) = \sqrt{\frac{252}{21} \sum_{l=1}^{22} (R_{B_k}(t+1-l) - M_{B_k}(t))^2}$$

and similarly:

$\forall t$

$$SU_k(t) = SU_k(t-1) \times \frac{SU_k(t)}{SU_k(t-1)}$$

$$\sigma_{SU_k}^{histo}(t) = \sqrt{\frac{252}{21} \sum_{l=1}^{22} (R_{SU_k}(t+1-l) - M_{SU_k}(t))^2}$$

Notations:

t is the Index Calculation Date t ;

$cw_{k,i}$ is the equal weight in percentage of Component Security (k,i) to be included in I_k of k -th Index Rebalancing Date;

I_k is the last known static Rebalanced Component Security Set of k -th Index Rebalancing;

$\sigma_{B_k}^{histo}(t)$ is the realised Volatility of k -th last known Rebalanced Component Security Set on Index Calculation Date t ;

$\sigma_{SU_k}^{histo}(t)$ is the Realized Volatility of k -th last known Selection Universe on the Index Calculation Date t ;

$R_{B_k}(t)$ is the 1-Index Calculation Date Log Return of the k -th last known Rebalanced Component Securities Set on Index Calculation Date t which results from the following equation:

$$R_{B_k}(t) = \left(\frac{B_k^{static}(t)}{B_k^{static}(t-1)} \right)$$

$P_{k,i}(t)$ is the Closing Price of Component Security (k,i) on Index Calculation Date t ;

$R_{SU_k}(t)$ is the 1-Index Calculation Date Log Return of of k -th last known Selection Universe on Index Calculation Date t which results from the following equation:

$$R_{SU_k}(t) = \left(\frac{SU_k(t)}{SU_k(t-1)} \right)$$

$M_{B_k}(t)$ is the mean of the 1-Index Calculation Date Log Returns of the k -th last known Rebalanced Component Securities Set computed on Index Calculation Date t over the 22 preceding Index Calculation Dates which results from the following equation:

$$M_{B_k}(t) = \frac{1}{22} \sum_{l=1}^{22} (R_{B_k}(t+1-l))$$

$B_k^{Static}(t)$ is the k -th last known Rebalanced Component Security Set value on Index Calculation Date t ;

$M_{SU_k}(t)$ is the mean of the 1-Index Calculation Date Log Returns of the k -th last known Selection Universe computed on Index Calculation Date t over the 22 preceding Index Calculation Dates which results from the following equation:

$$M_{SU_k}(t) = \frac{1}{22} \sum_{i=1}^{22} (R_{SU_k}(t+1-i))$$

$SU_k(t)$ is the k -th last known Selection Universe value on Index Calculation Date t .

3.5 Index – Calculation

The Index Level is rebalanced on each Index Calculation Date t according to the Dynamic Exposure Factor computed for the same day. On the Index Base Date, the Index Level is set equal to 1000.

As a Formula:

$$I(t_0) = 1000$$

$$I(t+1) = I(t) \times \left[1 \times w_t \times \left(\frac{B(t+1)}{B(t)} - 1 \right) \right]$$

Notations:

t_0 is the Index Base Date;

t is the Index Calculation Date t ;

$I(t)$ is the Index Level on Index Calculation Date t ;

w_t is the Index Allocation Percentage in the Rebalanced Component Security Set on Index Calculation Date t ;

$B(t)$ is the Rebalanced Component Security Set value on Index Calculation Date t .

For the avoidance of doubt, as used in this Index Description, (A) in relation to a term of any formula, 't' means the value of that term on the relevant Index Calculation Date and, in relation to other terms in that formula: (a) references to 't' shall be to the value of that term on the same Index Calculation Date; and (b) references to 't' plus or minus specified number (i.e. 't+1'; 't+2' or 't-1') shall be to the value of that term on the Index Calculation date falling that specified number of Index Calculation dates after or before, as the case may be, the Index Calculation Date to which 't' relates and (B) in relation to any Index Calculation Date, 't' means the relevant Index Calculation Date, references to plus or minus a specified number (i.e. 't+1'; 't+2' or 't-1') shall be to the Index Calculation Date falling that specified number of days after or before, as the case may be, the Index Calculation Date to which 't' relates.

4. Index Adjustments

This section describes the circumstances and conditions under which adjustments to the Index (the 'Index Adjustments') may be made by the Calculation Agent.

4.1 Scheduled Component Security Changes and Review

The Index shall be reviewed each month of each year by the Calculation Agent based on information provided to it by the Index Sponsor and in accordance with the Review Timetable, as outlined in Section 2.5 above, effective on each Index Rebalancing Date. The review is carried out in order to update the LES and the RL. Other changes to the Index may take effect at the Index Sponsor's discretion and in accordance with Section 2.1 and Section 6. For the avoidance of doubt, (a) any Index Rebalancing Date may be redefined and/or (b) any additional Index Rebalancing Dates may be introduced at the Index Sponsor's discretion, further to consultation with the Calculation Agent.

4.2 Index Adjustments following a Corporate Action

Adjustments to the Index may be required on the occurrence of a Corporate Action (other than a dividend distribution related to one of the Component Securities and as such term is defined under Section 4.6).

Upon the announcement of a Corporate Action, the Calculation Agent shall determine, in its sole and absolute discretion and in consultation with the Index Sponsor, whether such Corporate Action has a diluting or concentrative effect on the theoretical value of the relevant Component Security or Securities, as the case may be, and, if so, will, (i) make the corresponding adjustment, if any, to the Index as the Calculation Agent determines appropriate to account for such diluting or concentrative effect and (ii) determine the effective Index Calculation Date of the adjustment. The Calculation Agent may, but shall not be obliged to, determine the appropriate adjustment to be made by reference to the adjustment in respect of such Corporate Action provided for in the indicative list attached in Appendix 4.

4.3 Index Adjustments following an Extraordinary Event

Adjustments to the Component Securities may occur on any date that falls between two Index Rebalancing Dates if, in the sole discretion of the Calculation Agent, after consultation with the Index Sponsor, determines and announces that an Extraordinary Event (as such terms defined under Section 4.6), in respect of the relevant Component Securities, has occurred or is about to occur.

In such case, the Calculation Agent shall adjust the Index as it determines appropriate, and such adjustment may be determined by reference to the adjustment in respect of such Extraordinary Event provided for in the indicative list attached in Appendix 5.

In effecting such adjustments, the Calculation Agent may, in consultation with the Index

Sponsor, remove from the Index any affected Component Securities and/or select one or more other Eligible Securities to replace such Component Security. The Calculation Agent shall determine the effective date of the adjustment, in its sole discretion after consultation with the Index Sponsor, which cannot occur earlier than 5 Business Days following the date of its announcement by the Index Sponsor.

The Index Sponsor shall maintain the RL for the Index at all times. The Index Sponsor may, but shall not be obliged to, include at least ten Eligible Issuers on each Index Rebalancing Date in the RL. Any affected Component Securities removed from the Index shall be replaced by the Eligible Securities from the RL, belonging to the same GICS sector.

4.4 Disruption Events

4.4.1 Market Disruption Event

Upon the occurrence of a Market Disruption Event on any Index Calculation Date, the Calculation Agent may, in its sole discretion after consultation with the Index Sponsor, deem and announce such a day either: (i) to be an Index Calculation Date and publish the Index Level using either: (a) the last reported Closing Price of the relevant Component Securities, (b) a good faith estimate of the value of the relevant Component Securities, or (c) a deemed value of zero for the relevant Component Security for the purposes of calculating the Index Level, or (ii) not to be an Index Calculation Date and as a consequence not calculate and publish the Index Level in respect of such day but only for a period not exceeding eight (8) Business Days. In such case, the first succeeding Index Calculation Date on which there is no Market Disruption Event as determined by the Calculation Agent, in its sole discretion and in consultation with the Index Sponsor, shall be the Index Calculation Date. Notwithstanding anything to the contrary in the foregoing, on the eighth (8th) Business Day, the Calculation Agent may either resume the calculation and publication of the Index Level having regard to the then prevailing market conditions, the last reported Closing Price of the relevant Component Securities or make such adjustment to the Index as it deems appropriate, including, but not limited to, replacing such affected Component Securities with other Eligible Securities from the RL.

The aim of such Calculation Agent adjustments is to maintain, the basic principles and economic effect of the Index.

4.4.2 Additional Disruption Event

If the Calculation Agent, in consultation with the Index Sponsor, determines and announces the occurrence of any of the following: (a) a failure of trading to commence, or the permanent discontinuation of trading in any Component Security, (b) the number of the Component Securities traded on any relevant date is materially reduced or the liquidity in the market for any Component Security is otherwise reduced for any reason, (c) a change in, or amendment to, the laws, rules or regulations (including without limitation, any tax law) relating to any Component Security or a change in any application or interpretation of such laws, rules or regulations (including without limitation, any tax law), (d) trading or settlement in respect of any Component Security is subject to any material disruption temporarily or permanently, (each being an 'Index Adjustment Event'), then the Calculation Agent shall make any such adjustment to the Index as it deems appropriate, in its sole and absolute discretion within 5 Business Days from the date of announcement of such adjustment, including, but not limited to, the following adjustments:

- (i) selection of a successor Component Security to any affected Component Securities in accordance with the Component Security changes and review provisions as set out above;
- (ii) calculation of a substitute level for the affected Component Securities based on but not restricted to, the last published Closing Level of the affected Component Securities;
- (iii) any other adjustment as the Calculation Agent, in consultation with the Index Sponsor deems necessary or appropriate;
- (iv) permanent cessation of the calculation and publishing of the Index Level if, in the sole determination of the Calculation Agent after consultation with the Index Sponsor, this is considered to be the preferred solution as determined in good faith between such parties.

4.4.3 Corrections

If the Index Sponsor becomes aware that the level of the Component Securities or any other information used by it in connection with any calculation, determination or adjustment in respect of the Index and this Description has been corrected or adjusted, the Calculation Agent, in consultation with the Index Sponsor may, but shall not be obliged to use such corrected level or adjusted value, or other information and as consequence make any change, adjustment, determination or calculation it announces and, after having complied with a notification period of at least 5 Business Days, determines necessary or desirable to give effect to, or reflect such corrected or adjusted level or value or other information. No liability can be accepted for any losses resulting from such corrections.

4.5 Force Majeure Event

If a Force Majeure Event subsists or occurs on any Index Calculation Date that, in t affects the determinations in respect of the Index on such Index Calculation Date, the Calculation Agent may, in its sole and absolute discretion:

- (i) make such determinations and/or adjustments (with the written consent of the Index Sponsor) to the terms of this Description relating to the Index as it considers appropriate to determine the Index on such Index Calculation Date and, if the Index Sponsor determines appropriate, on any Index Calculation Date hereafter; and/or
- (ii) postpone calculation and publication of the Index Level until the next Index Calculation Date on which it determines that no Force Majeure Event exists; and/or
- (iii) permanently cease to calculate and publish the Index Level where this is considered to be the preferred solution as determined in good faith between the Calculation Agent and the Index Sponsor.

4.6 Definitions

For the purposes of this Section 4:

'Closing Level' means, in relation to the Component Securities, the closing level of the Component Security on the Exchange on the relevant Index Calculation Date and as determined by the Calculation Agent.

'Corporate Action' means the occurrence of any of the following:

(a) a subdivision, consolidation or reclassification of the relevant Component Securities (unless resulting in a Merger Event), or a free distribution or dividend of any such Component Securities to existing holders by way of bonus, capitalization or similar issue; or

(b) a distribution, issue or dividend to existing holders of the relevant Component Securities of either (i) such Component Securities or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of a Component Security Issuer equally or proportionately with such payments to holders of such Component Securities or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Component Security Issuer as a result of a merger, de-merger, spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent, in its sole discretion after consultation with the Index Sponsor; or

(c) an extraordinary dividend as determined by the Calculation Agent, in its sole discretion after consultation with the Index Sponsor; or

(d) a call by a Component Security Issuer in respect of relevant Component Securities that are not fully paid; or

(e) a repurchase by a Component Security Issuer or any of its subsidiaries, of relevant Component Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

(f) in respect of a Component Security Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Component Security Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile take-overs that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, in its sole discretion after consultation with the Index Sponsor, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(g) any other event that has or may have, in the opinion of the Calculation Agent and consultation with the Index Sponsor, a diluting, concentrative or other effect on the theoretical value of the relevant Component Securities.

'Exchange' means in relation to each Component Security the stock exchange on which such Component Security is principally traded, as determined by the Index Sponsor in consultation with the Calculation Agent.

'Exchange Disruption' means any event that in the determination of the Calculation Agent after consultation with the Index Sponsor, disrupts or impairs the ability of market participants in general to: (i) effect transactions in, or obtain market values for Component Securities that comprise 20% or more of the Index Level on any relevant exchange; or (ii) effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any Exchange.

'Extraordinary Event' means the occurrence of any of the following:

(a) 'Insolvency' means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Component Security Issuer, as the case may be, (i) all the Component Securities of that Component Security Issuer, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Component Securities of that Component Security issuer, as the case may be, become legally prohibited from transferring them; or

(b) 'Insolvency Filing' means that a Component Security Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Component Security Issuer shall not be deemed an Insolvency Filing; or

(c) 'De-Listing' means, in respect of any relevant Component Security, the Exchange announces that pursuant to the rules of such Exchange, such Component Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union); or

(d) 'Merger Event' meaning, in respect of relevant Component Securities, any (i) reclassification or change of such Component Securities that results in a transfer of or an irrevocable commitment to transfer all of such Component Securities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding Component Securities exchange of a Component Security Issuer, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding Component Securities exchange in which such Component Security Issuer, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Component Securities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Component Securities of the Component Security, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Component Securities (other than such Component Securities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding Component Securities exchange of the Component Security Issuer or its subsidiaries, as the case may be, with or into another entity in which the Component Security Issuer, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Component Securities outstanding but results in the outstanding Component Securities (other than Component Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Component Securities immediately following such event; or

(e) 'Nationalisation' means that all the Component Securities or all or substantially all the assets of the share company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

(f) 'Tender Offer' meaning a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50% and less than 100% of the outstanding voting share of the Component Security Issuer, as the case may be, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent, in its sole determination after consultation with the Index Sponsor, deems relevant; or

'Force Majeure Event' means an event or circumstance (including, without limitation, a systems failure, fire, building evacuation, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption, expropriation or confiscation by any authority to which it is subject to, which deprives the Calculation Agent of substantially all of its assets) that affects the ability of the Calculation Agent to calculate or determine the Index and which is beyond the reasonable control of the Index Sponsor.

'Market Disruption Event' means, in respect of a Component Security, the occurrence or the existence of (i) on any Index Calculation Date during the hour preceding the Valuation Time on the relevant Exchange, any suspension or limitation imposed on trading or the disruption or impairment in the ability of the market participants in general to effect transactions in (by reason of movements in price reaching or exceeding limits permitted by the relevant Exchange or otherwise) one or more Component Securities on a relevant Exchange or any other Exchange on which such Component Securities are listed, if, in the determination of the Calculation Agent after consultation with the Index Sponsor, such suspension or limitation is material, (ii) an Exchange Disruption which the Calculation Agent, in consultation with the Index Sponsor, determines is material at any time during the hour preceding the Valuation Time on the relevant Exchange or for more than two hours during the relevant Scheduled Trading Day, or (iii) a Scheduled Trading Day on which the relevant Exchange fails to open for trading during its regular trading session.

'Scheduled Trading Day' means any day on which the relevant Exchange is scheduled to be open for trading for its regular trading sessions.

'Valuation Time' means the scheduled closing time of the Exchange.



5. Index Calculation Frequency and Publication

5.1 Index Calculation

The Index is calculated and published by the Calculation Agent following the Close of Business, on each Index Calculation Date. The Calculation Agent shall aim to publish the Level of the Index by the end of the following Index Calculation Date. The Index Level is to be rounded to two decimal places.

5.2 Index Publication

The Calculation Agent will publish the Index via Bloomberg under the ticker symbol EVEN 30™ <Index> and on any other data provider as the Index Sponsor reasonably deems appropriate. The last available Closing Price is to be used on any day where the Component Security does not trade, be it due to market closure, trading suspension or otherwise, subject to the provisions of Section 4 above.

Any Index Rebalancing, change, correction or event affecting the Index shall be available on request to the Calculation Agent or published in any other appropriate manner by the Index Sponsor as soon as practicable.

5.3 Input Data

The Calculation Agent uses various quality assurance tools to audit, monitor, and maintain the accuracy of its input data. While every reasonable effort is taken to ensure high standards of data integrity, there is no guarantee made for errors and the Calculation Agent and/or the Index Sponsor can not accept any liability for errors or inaccuracies in prices, calculations and the publication of any data and shall not be responsible for any inaccuracies or errors in the Index as a result of such inaccuracies or errors. Please refer to Section 5.4 – Data Correction for further details.

The Index is calculated using the Closing Prices issued by the relevant Exchange for each Component Security in the Index. If such relevant Exchange changes any Closing Price, such amended Closing Price will be used to calculate the Index. A final check of Closing Prices is to be carried out on each Index Calculation Date between one hour and one hour and a half following the Close of Business.

Such time frame for amendments may be amended at the Calculation Agent's determination after consultation with the Index Sponsor on days where the trading volume is unusually large at the Close of Business. Only changes received prior to such final check will be used in the calculation of the Index.

5.4 Data Correction

Where the Index is calculated on the basis of an incorrect Component Security or incorrect Corporate Action or other incorrect data and the Calculation Agent becomes aware of any such error, and after consultation with the Index Sponsor, it will effect all necessary adjustments to the Index as soon as practicable and make an announcement of the intended corrective action. Such corrective action may include changing the level of some or all historical Index Levels that may have been affected by such incorrect data. Neither the Index Calculation Agent nor the Index Sponsor shall take any responsibility for such incorrect data, any consequent corrections or the impact on the Index Level.

6. Modifications of the Index Description, change in the Index Methodology and Termination

6.1 Modifications of the Index Description

The Index Description may be supplemented, amended in whole or in part, revised, modified or withdrawn at any time. Such supplements, amendments, revisions, modifications and withdrawals may lead to changes in the Index methodology and the way in which the Index is constructed, calculated and maintained or affect the Index in another way.

Any adjustment proposed and announced by the Calculation Agent which are of a formal, minor or technical nature or are made to correct a manifest or proven error and which are not in conflict with the interests of any affected parties, may be effected to the extent that the Calculation Agent, with the written consent of the Index Sponsor (such consent not to be unreasonably withheld), deems it relevant provided that a notification period of at least 5 Business Days shall be observed between the date on which a proposed change to the Index Description is announced and the date on which such change becomes effective.

Any adjustment resulting from any such supplements, amendments, revisions or modifications shall be made available to interested parties as soon as practicable and in such manner as the Index Sponsor deems appropriate.

No liability can be accepted by the Index Sponsor and/or the Calculation Agent for any losses resulting from supplementing, amending, revising or withdrawing the Index Description.

6.2 Change in the Index Methodology

In calculating and determining the value of the Index, the Calculation Agent will employ the methodology described above. While the Calculation Agent currently employs the above described methodology to calculate the Index, no assurance can be given that fiscal, market, regulatory, juridical, financial or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting transactions on the same or similar terms to any Component Security) will not arise that would, in the view of the Index Sponsor, necessitate or make desirable a modification or a change to such methodology. The Calculation Agent, with the written consent of the Index Sponsor, shall be entitled to make any such modification or change.

The Index Sponsor may announce modifications to the terms of the Index and make them in any manner that it may deem necessary or desirable, including (without limitation) to correct any manifest or proven error or to cure, correct or supplement any ambiguity or defective provision contained in this Index Description. In particular, but without limitation, the Index Sponsor, subject to the prior written consent of the Calculation Agent, may change the frequency of calculation of the Index Level at any time, and make such adjustment to the methodology described in this Description as it deems necessary, to take account of the amended frequency of calculation. The Index Sponsor will make available any such modification or change and the effective date thereof and will record such modification or change in Appendix 3, subject to a notification period as per Section 2.1.

Further to a Change in Index Modification and subject to Section 2.1, the most recent version of the Index Description shall be deemed to be in force from the date of such modification and replace in its entirety the preceding version of the Index such that in the event of any conflict between the preceding version and the most recent version, the most recent version of the Index shall prevail.

Any changes referred to in this Section 6 shall only be made with the prior written consent of the Calculation Agent.

6.3 Termination

The calculation and dissemination of the Index may, at any time and without notice, be terminated.



7. Disclaimers

Although the Index Sponsor shall obtain information for inclusion in or for use in the calculation of the Index from sources which the Index Sponsor considers reliable, the Index Sponsor shall not independently verify such information and does not guarantee the accuracy and/or the completeness of the Index or any data included herein. The Index Sponsor is under no obligation to advise any person of any error in the Index.

The Index Sponsor makes no express or implied representation or warranty concerning : (i) the accuracy or completeness of this Index Description, (ii) whether or not the Index may achieve any particular level or meet or correlate with any particular objective or (iii) the fitness for any purpose of the Index or this Index Description.

The Index Sponsor accepts no liability resulting from the wilful negligence, fraud, or default of any person in connection with (i) this Index Description and (ii) its publication and dissemination of the Index.

While the Calculation Agent will make reasonable efforts to ensure the accuracy of the composition, calculation, publication and adjustment of the Index in accordance with this Index Description, the Calculation Agent shall have no liability in the back-dated calculation prior to the Live Date or in relation to any index calculation for any error, omission, suspension or interruption in calculating the Index. Although some adjustments or calculation information have been provided by the Calculation Agent, such adjustments or calculations are based on information furnished by third parties believed to be reliable, the accuracy and completeness of such information has not been verified by the Calculation Agent.

Neither the Calculation Agent nor the Index Sponsor can be held liable for any modification or change in the Index methodology used in the calculation the Index.

Neither the Calculation Agent nor the Index Sponsor are under obligation to continue the calculation, publication or dissemination of the Index and cannot be held liable for any suspension or interruption in the calculation, publication and dissemination of the Index.

The Calculation Agent and the Index Sponsor shall not have any liability whether by wilful negligence, fraud or default in connection with the Index Level at any given time. None of the Calculation Agent and the Index Sponsor shall be liable whether by wilful negligence, fraud or default to any person for any error in the Index and the Index Sponsor and Calculation Agent are under no obligation to advise any person of any error therein. None of the Calculation Agent and the Index Sponsor can be held liable for any loss whatsoever, directly or indirectly related to the Index. Without limiting any of the foregoing, in no event shall the Index Sponsor have any liability (whether in negligence or otherwise) to any person for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility of such damages.

This Index Description contains no provisions relating to any product referencing the Index. Should any product referencing the Index be issued, created, sold or otherwise distributed, provisions relating to a possible liability with respect to such product will be dealt with in a separate document.

The Index Sponsor and its affiliates may from time to time engage in transactions involving the Component Securities for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value or level of the Components Securities and consequently upon the Index Level, and in engaging in such transactions none of the Index Sponsor and its affiliates shall be under any obligation to act in the interests of users of the Index and/or parties exposed to products referencing the Index. The Index Sponsor and its affiliates may from time to time act in multiple capacities with regard to the Index or any products referencing the Index. The Index Sponsor and its affiliates may issue, enter into, create, purchase, sell or otherwise distribute derivative instruments in respect of the Index or Components Securities and the introduction of such products into the marketplace may affect the Index Level.

The Index Sponsor may, in certain cases, act as a market-maker or sponsor for the Components Securities. By such sponsoring or market-making, the Index Sponsor may, to a large extent, determine the price of the Component Securities, and consequently influence the Index Level.

The prices quoted by the Component Security Issuers in its sponsoring or market-making function will not always correspond to the prices which would have prevailed without such sponsoring or market-making and in a liquid market. The Index Sponsor and/or its affiliates may acquire non-public information with respect to the Components Securities (or components thereof), and neither the Index Sponsor nor any of its affiliates undertakes to disclose any such information to any user of the Index. In addition, one or more of the Index Sponsor's affiliates may publish research reports with respect to the Components Securities. Such activities could present conflicts of interest and may affect the Index Level.

The 'EVEN 30™ Index' is an Investec Bank plc proprietary index. Any use of this Index or its name must be with the consent of Investec Bank plc.

8. Definitions and Interpretation

'Average Volume 3M' means the daily average number of shares traded during the Scheduled Trading Days of the preceding three months period during which the relevant Exchange is open for trading for its regular trading sessions. The average is calculated based on the total volume over the last three trading months divided by the number of days within that period. The end date for the preceding three months is always the prior Business Day prior to the relevant Index Selection Day.

'Bloomberg' means Bloomberg L.P. or any of its affiliates and subsidiaries.

'Bloomberg Ticker' means the abbreviation assigned by Bloomberg to a given Security for trading purposes, which may or may not be an exchange symbol.

'Business Day' means each day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and Foreign Currency Deposits, and clearing in London and that is a London settlement Day (as such term is defined in the ISDA Definitions).

'Calculation Agent' means the entity or the person responsible for calculating and publishing the Index, as described in this Index Description, and as amended, substituted from time to time.

'Closing Price' means, in relation to each Component Security and a Business Day, the closing price of such Component Security on the relevant Exchange, expressed in the Index Reference Currency or, if not expressed in the Index Reference Currency, converted into the Index Reference Currency using the FX Exchange Rate on such Business Day.

'Close of Business' means, in relation to an Exchange, the time at which such Exchange ceases trading on an Index Calculation Date.

'Closed-End Fund' means a fund that has a specific number of issued shares where price movement is determined by supply and demand and the fund trades on an Exchange or Exchanges, in a manner similar to shares. The shares of a closed-end fund are not redeemable but may be bought and sold on exchanges or over-the-counter markets. The price per share of a closed-end fund does not usually equal the net asset value (NAV) of such share and the difference between the market price and the NAV of such share is the premium or discount.

'Component Security' means a security that has been included in the composition of the Index.

'Component Security Issuer' means the issuer of a Component Security.

'Component Security Set' means, at any time, the set of 30 Component Securities to be included in the Composition of the Index as may be adjusted on each Index Rebalancing Date in accordance with this Index Description (the latter set being thereafter referred to as the 'Rebalanced Component Security Set').

'Component Security Weight' means the percentage amount each Component Security represents in the Component Security Set as determined by the Calculation Agent, in consultation with the Index Sponsor, on each Index Rebalancing Date.

'Declared Dividend' means an ordinary cash distribution, special cash distribution, issue or dividend to existing holders of the relevant Component Security, declared by the Issuer of such Component Security (being the amount payable before deduction of any withholding or deduction for or on account of any tax which would have been made by or on behalf of the Issuer in respect of the dividend, but not taking into account any associated tax credit arising under the law of the jurisdiction of the Issuer) and which shall not include any extraordinary, or bonus dividend or other cash distribution exceeding 10% of the last cum-dividend closing price of the relevant Component Security, each as determined by the Calculation Agent.

'Disrupted Index Calculation Date' means a day on which the Index Level cannot be determined as a result of any or all of the events described in Section 4, or any other event which the Calculation Agent on such day determines, in its sole and absolute discretion after consultation with the Index Sponsor, prevents a calculation of the Index Level being made.

'Dynamic Exposure Factor' has its meaning given on page 10.

'Dynamic Target Exposure Factor' has its meaning given on page 10.

'Eligible Issuer' means the issuer of an Eligible Security.

'Eligible Security' means a security that meets the Selection Criteria and that is therefore eligible for inclusion in the List of Eligible Securities and is also potentially qualified to become a Component Security.

'Equity Constituent' has its meaning given on page 3.

'Exchange Business Day' means any Business Day on which the relevant Exchange is open for trading during its regular trading session(s), notwithstanding any such Exchange (or Related Exchange) closing prior to its Scheduled Closing Time.

'Ex-Dividend Date' means the first date on which a security is traded without entitling the holder to receive distributions previously declared.

'Exchange Traded Fund' or 'ETF' is an investment vehicle traded on stock exchanges, much like stocks. An ETF holds assets such as stocks or bonds and trades at approximately the same price as the net asset value (NAV) of its underlying assets over the course of the trading day.

'GBP' means British Pound Sterling.

'GDR' means Global Depositary Receipts.

'GICS Sector' means a numeric code indicating GICS sector classification. GICS (Global Industry Classification Standard) is an industry classification standard which consists of the 10 following sectors: Materials, Industrials, Consumer Discretionary, Consumer Staples, Health Care, Financials, Information technology, Telecommunication Services and Utilities. The GICS classification assigns a sector code to each company according to its principal business activity.

'Hedging Activity' means trading in any of the Component Securities or in any financial instruments relating to any of the Component Securities, in each case the purpose of hedging any obligation incurred by any entity of the which are linked to the performance of the Index.

'Index' means the EVEN 30™ Index.

'Index Adjustment' has the meaning given on page 15.

'Index Adjustment Event' has the meaning given on page 16.

'Index Base Level' has the meaning given on page 5.

'Index Base Date' has the meaning given on page 5.

'Index Calculation Date' means each Business Day on which the Calculation Agent is able to determine and calculate the Index Level.

'Index Description' has the meaning given on page 2.

'Index Rebalancing' the process whereby the new Component Security Set is determined on each Index Selection Date by adding newly selected Component Securities to effect a re-allocation of the Index Level from the previous Component Securities to the new Component Securities based on Component Security Weights and Closing Prices on the Index Rebalancing Date.

'Index Rebalancing Date' is the second Index Calculation Date following each Index Selection Date in each month.

'Index Rebalancing Period' has its meaning given page 7.

'Index Reference Currency' has the meaning given on page 4.

'Index Rules' means the terms, conditions and methodologies which are necessary to define the Index.

'Index Sponsor' means Investec Bank plc.

'Index Selection Date' is the fourteenth calendar date of each month, unless such day is not an Index Calculation Date in which case the next following Index Calculation Date will be the Index Selection Date.

'ISDA Definitions' means together definitions as published from time to time by the International Securities and Derivatives Association.

'List of Eligible Securities' or 'LES' means the List of the Component Securities from which the Index can be formed.

'Live Date' means 16 September 2010.

'Price Return' means an amount equal to the price of a security assuming no reinvestment of net dividends.

'Primary Exchange' means the Exchange on which the Component Security has its primary listing.

'Reserve List' or 'RL' has its meaning given on page 6.

'Review Timetable' has its meaning given on page 7.

'Royalty Trust' means an oil or gas company spins off property to its shareholders, which means it will not be taxed at the corporate level and will offer high returns to stockholders.

'Selection Procedure' means the methodology by which the Index Sponsor, in consultation with the Calculation Agent, selects the Component Securities.

'Selection Universe' has the meaning given on page 3.

'Selection Criteria' has the meaning given on page 5.

'Structured Investment Vehicle (SIV)' means a fund that may borrow money by issuing short-term securities at low interest and then lends that money by buying long-term securities at higher interest, making a profit for investors from the difference.

'Target Volatility Level' has its meaning given on page 4.

9. Appendices and Annex

Appendix 1. Initial List of Eligible Securities

The following table details the LES for the initial composition of the Index according to the methodology outlined in this Index Description and lists the Component Securities initially eligible.

Data as of the Index Base Date				
Exchange	Share Company	Bloomberg	GICS Sector	Component Security Weight
London	LATTICE GROUP PLC	535158Q LN Equity	Utilities	3.33%
London	31 GROUP PLC	III LN Equity	Financials	3.33%
London	LAND SECURITIES GROUP PLC	LAND LN Equity	Financials	3.33%
London	ENI LASMO PLC-UTS	LSMO LN Equity	Energy	3.33%
London	BRITISH STEEL FRAME CO LTD/T	1066082Z LN Equity	Materials	3.33%
London	WHITBREAD PLC	WTB LN Equity	Consumer Discretionary	3.33%
London	ALLIANCE & LEICESTER PLC	AL/LN Equity	Financials	3.33%
London	SIX CONTINENTS LTD	SXC LN Equity	Consumer Discretionary	3.33%
London	UNILEVER PLC	ULVR LN Equity	Consumer Staples	3.33%
London	BOC GROUP LTD/THE	BOC LN Equity	Materials	3.33%
London	SEVERN TRENT PLC	SVT LN Equity	Utilities	3.33%
London	HAYS PLC	HAS LN Equity	Industrials	3.33%
London	GRANADA GROUP PLC	1295Q LN Equity	Industrials	3.33%
London	WOOLWICH PLC	369475Q LN Equity	Financials	3.33%
London	HALIFAX GROUP LTD	HFX LN Equity	Financials	3.33%
London	THAMES WATER LTD	1017087Q LN Equity	Utilities	3.33%
London	SCOTTISH & NEWCASTLE	SCTN LN Equity	Consumer Staples	3.33%
London	SMITHS GROUP PLC	SMIN LN Equity	Industrials	3.33%
London	PENINSULAR & ORIENTAL STEAM	PO/LN Equity	Industrials	3.33%
London	CADBURY PLC	CBRY LN Equity	Consumer Staples	3.33%
London	RECKITT BENCKISER GROUP PLC	RB/LN Equity	Consumer Staples	3.33%
London	BP PLC	BP/LN Equity	Energy	3.33%
London	BRITISH LAND CO PLC	BLND LN Equity	Financials	3.33%
London	POWERGEN LTD	PWG LN Equity	Utilities	3.33%
London	ENERGY GROUP PLC	1127Q LN Equity	Utilities	3.33%
London	ALLIANCE BOOTS HOLDINGS LTD	AB/LN Equity	Consumer Staples	3.33%
London	UNITED BUSINESS MEDIA LTD	UBM LN Equity	Consumer Discretionary	3.33%
London	BAE SYSTEMS PLC	BA/LN Equity	Industrials	3.33%
London	ALLIED DOMECQ PLC	ALLD LN Equity	Consumer Staples	3.33%
London	BAA AIRPORTS LTD	BAA LN Equity	Industrials	3.33%
Total				100.00%

Appendix 2. Initial Reserve List

The following table details the current Reserve List that would replace any of the Component Securities of the Index according to the methodology outlined in this Index Description.

Data as of the Index Base Date				
Exchange	Share Company	Bloomberg	GICS Sector	Component Security Weight
London	NATWEST GROUP	120808Z LN Equity	Financials	n/a
London	INTERNATIONAL POWER PLC	IPR LN Equity	Utilities	n/a
London	ASSOCIATED BRITISH FOODS PLC	ABF LN Equity	Consumer Staples	n/a
London	KINGFISHER PLC	KGF LN Equity	Consumer Discretionary	n/a
London	SHELL TRANSPORT & TRADING CO	SHEL LN Equity	Energy	n/a
London	GKN PLC	GK LN Equity	Industrials	n/a
London	IMPERIAL CHEMICAL INDS PLC	ICI LN Equity	Materials	n/a
London	AMERSHAM PLC	AHM LN Equity	Health Care	n/a
London	GENERAL ELECTRIC COMPANY PLC	1366Q LN Equity	Information Technology	n/a
London	ORANGE PLC	951641Q LN Equity	Telecommunication Services	n/a
Total				100.00%

Appendix 3. Amendments to the Index Methodology

Pursuant to the Index Description, any amendment to the Index Rules shall be described hereunder and the effective date of any such amendment shall be stated as soon as reasonably practicable after the determination by the Index Sponsor after consultation the Calculation Agent that such amendments are required, as outlined in Section 2.1.

Data as of the Index Base Date		
Issue	Date	Change
1.0	21 October 2010	First Release
1.1	17 August 2011	Section 3.5
		Formula:
		$I(t+1) = I(t) \times \left[w_i \times \frac{B(t+1)}{B(t)} \right]$
		Has been replaced by:
		$I(t+1) = I(t) \times \left[1 \times w_i \times \left(\frac{B(t+1)}{B(t)} - 1 \right) \right]$

Appendix 4. Indicative List of Index Adjustments following a Corporate Action

Corporate Action	Indicative Index Adjustment
Component Security Replacement	Index Rebalancing with replacing security on date of change.
Share Issuance (when change is ≥ 5 per cent.)	Adjust price series of affected Component Security according to the Calculation Agent's ordinary Rules (only where repurchase is for cancellation).
Share Repurchase/Redemption (when change is ≥ 5 per cent.)	Adjust price series of affected Component Security according to the Calculation Agent's ordinary Rules (only where repurchase is for cancellation).
Spinoff*	Subtract the following from the Price of the affected Component Security: Share exchange ratio Spinoff stock price Adjust the price series of the affected Component Security from date of Corporate Action back to the preceding Index Rebalancing Date;
Stock Splits	The split ratio is to be applied to the price series concerned back to the date of the preceding Index Rebalancing Date.
Reverse Splits	The split ratio is to be applied to the price series concerned back to the date of the preceding Index Rebalancing Date.
Special Cash Dividend	To be treated in the same way as ordinary dividends.
Rights Offering	Subtract the following from the Closing Price of the affected Component Security: Price of rights Rights Ratio adjust the price series of the affected Component Security from the effective date of such Corporate Action back to the previous Index Rebalancing Date.

*Special note on Spin-Offs: if a Company being spun off is only trading on a 'when-issued' basis, the 'when-issued' price will be used to adjust the affected Component Security's Closing Price.

Appendix 5. Indicative List of Index Adjustments following an Extraordinary Event

Extraordinary Events are as defined in Section 4, above.

Extraordinary Event	Indicative Index Adjustment
Merger Event	Upon the occurrence of a Merger Event an Index Rebalancing shall be effective from the date that the Component Issuer's listed securities drop below the Liquidity threshold as defined in Section 2.3, above.
Spin-off	If a Component Security Issuer splits or spins off (demerges) a portion of its business to form one or more new companies, the Component Security Issuer will remain on the LES, with the company that has been spun off or demerged to be considered for inclusion on the LES. An Index Rebalancing may occur if deemed appropriate by the Calculation Agent in consultation with the Index Sponsor at the time of such spin-off.
Insolvency or Insolvency Filing	A Component Security will be removed and replaced on the occurrence insolvency filing. Index Rebalancing will occur on the date of such removal. The exact date of such removal is to be determined by the Calculation Agent in consultation with the Index Sponsor, who shall endeavor to make such determination as soon as reasonably practicable after learning of such filing. Exceptions to the removal of a Component Issuer will be made on a case-by-case basis at the Calculation Agent's sole and absolute discretion after consultation with the Index Sponsor.
De-listing	A Component Security will be replaced immediately following its delisting from its primary market and an Index Rebalancing will occur on the date of such delisting.
Nationalisation	A Component Security will be replaced immediately following the occurrence of a Nationalisation and the Index will be rebalanced by the Calculation Agent. An Index Rebalancing will occur on the date of such removal.
Tender Offer	A Component Security will be removed and replaced on the occurrence of a Tender Offer. Index Rebalancing will occur on the date of such removal. The Calculation Agent shall determine whether an Index Rebalancing will occur on the date of such tender offer.

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