



**FIRST SUPPLEMENT DATED 1 AUGUST 2014  
TO THE BASE PROSPECTUS DATED 26 JUNE 2014**

## **Deutsche Bank Aktiengesellschaft**

(Frankfurt am Main, Germany)

### **Euro 80,000,000,000 Debt Issuance Programme**

This document constitutes a supplement (the “**Supplement**”) to the base prospectus dated 26 June 2014 (the “**Prospectus**”) for the purpose of article 13 of Chapter 1 of Part II of the Luxembourg Law dated 10 July 2005 on prospectuses for securities, as amended (the “**Law**”), and is prepared in connection with the EUR 80,000,000,000 Debt Issuance Programme (the “**Programme**”) established by Deutsche Bank Aktiengesellschaft (the “**Issuer**”). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus.

The purpose of this Supplement is to incorporate by reference into the Prospectus the figures of the interim report as of 30 June 2014 as published on 29 July 2014 (the “**Q2 Interim Report**”), to include the changes of the credit ratings regarding the Issuer by Moody’s on 29 July 2014 and to make certain corrections to the Prospectus, including in relation to the formatting of the subsections “Credit Linked Notes Annex A” and “Credit Linked Notes Annex B” of the section “Annexes to the Terms and Conditions”.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.db.com/ir](http://www.db.com/ir)).

**In accordance with Article 13 paragraph 2 of the Law, investors who have already agreed to purchase or subscribe for the Securities before this Supplement is published have the right, exercisable within a time limit of two working days, which is 5 August 2014, after the publication of this Supplement, to withdraw their acceptances.**

The Issuer has requested the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) to provide the competent authorities in Austria, Belgium, Denmark, France, Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden and the United Kingdom of Great Britain and Northern Ireland, with a certificate of approval (a “**Notification**”) attesting that this Supplement has been drawn up in accordance with the Law. The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area with a Notification.

## A. Interim Report as of 30 June 2014

On 29 July 2014, the Issuer published its Q2 Interim Report.

Accordingly, the Prospectus (including the documents incorporated by reference) shall be amended as follows:

### I. SUMMARY

1. The section on "Selected historical key financial information" on page 11 of the Prospectus in Element B.12 of the Summary shall be replaced by the following:

"The following table shows an overview from the balance sheet and the income statement of Deutsche Bank AG which has been extracted from the respective audited consolidated financial statements prepared in accordance with IFRS as of 31 December 2012 and 31 December 2013 as well as from the unaudited consolidated interim financial statements as of 30 June 2013 and of 30 June 2014.

	31 December 2012 (IFRS, audited)	30 June 2013 (IFRS, unaudited)	31 December 2013 (IFRS, audited)	30 June 2014 (IFRS, unaudited)
Share capital (in EUR)	2,379,519,078.40	2,609,919,078.40	2,609,919,078.40	3,530,939,215.36
Number of ordinary shares	929,499,640	1,019,499,640	1,019,499,640	1,379,273,131
Total assets (in million Euro)	2,022,275	1,909,879	1,611,400	1,665,410
Total liabilities (in million Euro)	1,968,035	1,852,144	1,556,434	1,597,009
Total equity (in million Euro)	54,240	57,735	54,966	68,401
Core Tier 1 capital ratio / Common Equity Tier 1 capital ratio <sup>1 2</sup>	11.4%	13.3%	12.8%	14.7% <sup>3</sup>
Tier 1 capital ratio <sup>2</sup>	15.1%	17.3%	16.9%	15.5% <sup>4</sup>

<sup>1</sup> The CRR/CRD 4 framework replaced the term Core Tier 1 by Common Equity Tier 1.

<sup>2</sup> Capital ratios for 30 June 2014 are based upon transitional rules of the CRR/CRD 4 capital framework; prior periods are based upon Basel 2.5 rules excluding transitional items pursuant to section 64h (3) of the German Banking Act.

<sup>3</sup> The Common Equity Tier 1 capital ratio as of 30 June 2014 on the basis of CRR/CRD 4 fully loaded was 11.5%.

<sup>4</sup> The Tier 1 capital ratio as of 30 June 2014 on the basis of CRR/CRD 4 fully loaded was 12.4%.

”

2. The section on "Significant changes in the financial or trading position" on page 12 of the Prospectus in Element B.12 of the Summary shall be replaced by the following:

"Not applicable. There has been no significant change in the financial or trading position of Deutsche Bank Group since 30 June 2014."

### II. DESCRIPTION OF THE ISSUER

1. At the end of the subsection "Interim Financial Information" on page 80 of the Prospectus, the following text shall be added:

"The unaudited interim report as of 30 June 2014 of the Deutsche Bank Group is incorporated by reference in, and forms part of, this Prospectus (see section "Documents incorporated by reference" on page 905)."

2. The subsection “Significant Change in Deutsche Bank Group’s Financial Position” on page 91 of the Prospectus shall be replaced by the following:

“There has been no significant change in the financial position of Deutsche Bank Group since 30 June 2014.”

### III. DOCUMENTS INCORPORATED BY REFERENCE

1. The following text shall be added on page 905 of the Prospectus in the subsection “Documents Incorporated by Reference” after “(c) Q1 Interim Report of the Issuer for the three months ended 31 March 2014”:

“(d) the Q2 Interim Report of the Issuer as of 30 June 2014”

2. The following text shall be added on page 905 of the Prospectus after the second paragraph of the subsection “Cross-Reference List of Documents Incorporated by Reference”:

“Page 80 – Description of the Issuer – Interim Financial Information: reference is made to the Q2 Interim Report of the Issuer as of 30 June 2014.”

3. The following text and the following table shall be added on page 906 of the Prospectus after table (3) of the subsection “Cross-Reference List of Documents Incorporated by Reference”:

“(4) *The following information is set forth in the Q2 Interim Report of the Issuer as of 30 June 2014:*

	Page(s)
Review Report	68
Consolidated Statement of Income	69
Consolidated Statement of Comprehensive Income	70
Consolidated Balance Sheet	71
Consolidated Statement of Changes in Equity	72-73
Consolidated Statement of Cash Flows	74
Basis of Preparation	75-76
Information on the Consolidated Income Statement	79-81
Information on the Consolidated Balance Sheet	82-103

”

## B. Ratings

As of the publication date of this Supplement, after a change of the credit ratings regarding the Issuer by Moody's Investors Service, Inc. ("**Moody's**"), the ratings assigned by the Ratings Agencies to debt securities and money market papers of Deutsche Bank were as follows:

by Moody's:	long-term rating:	A3
	short-term rating:	P-2
	outlook:	negative
by S&P:	long-term rating:	A
	short-term rating:	A-1
	outlook:	negative
by Fitch:	long-term rating:	A+
	short-term rating:	F1+
	outlook:	negative

Accordingly, the Prospectus shall be amended as follows:

I. The table on credit ratings in the section on "Credit Ratings to the Issuer and the Securities" on page 13 of the Prospectus in Element B.17 of the Summary shall be replaced by the following:

<i>"Rating Agency"</i>	<i>Long term</i>	<i>Short term</i>	<i>Outlook</i>
Moody's	A3	P-2	negative
S&P	A	A-1	negative
Fitch	A+	F1+	negative"

II. The information on ratings by Moody's in the section "Risk Factors" on page 35 of the Prospectus shall be replaced by the following:

"by Moody's:	long-term rating:	A3
	short-term rating:	P-2
	outlook:	negative

Moody's defines:

A3: Obligations rated "A" are judged to be upper-medium grade and are subject to low credit risk.

Moody's long-term obligation ratings are divided into several categories ranging from "Aaa", reflecting the highest quality with minimal credit risk, over categories "Aa", "A", "Baa", "Ba", "B", "Caa", "Ca" to category "C", reflecting the lowest rated class of bonds which are typically in default with little prospect for recovery of principal or interest. Moody's appends numerical modifi-

ers 1, 2 and 3 to each generic rating classification from “Aa” through “Caa”. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

P-2: Issuers rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody’s short-term ratings are divided into several categories ranging from “P-1”, reflecting a superior ability of an Issuer to repay short-term debt obligations, over categories “P-2” and “P-3” to category “NP”, reflecting that an Issuer does not fall within any of the Prime rating categories.”

### C. Corrections

I. In the section “Domicile, Legal Form, Legislation, Country of Incorporation” on page 10 of the Prospectus in Element B.2 of the Summary, the information on securities issued by Deutsche Bank AG, Milan Branch, shall be replaced by the following:

**“[If the Securities are issued by Deutsche Bank AG, Milan Branch, insert: Deutsche Bank AG, acting through its Milan branch (“Deutsche Bank AG, Milan Branch”) is domiciled at Via Filippo Turati, 25/27, Milan, Italy.]”**

II. The subsections “Credit Linked Notes Annex A” and “Credit Linked Notes Annex B”, beginning on page 539 and ending on page 691, of the section “Annexes to the Terms and Conditions” shall be replaced by the following text:

## CREDIT LINKED NOTES ANNEX A

As set out in the Introduction to the Terms and Conditions, the Terms and Conditions as will be completed by the Final Terms (or as amended by the Pricing Supplement, in the case of Exempt Securities) are comprised of five options. This Credit Linked Notes Annex A furthermore amends the Terms and Conditions and may only apply where Option I, Option II or Option V is specified as applicable in the applicable Final Terms.

If "Provisions for Credit Linked Securities" and "Credit Linked Notes Annex A" are specified as applicable in the applicable Final Terms the following provisions shall apply:

1. **Where the Securities are interest bearing Securities § 3([in the case of Option I the following applies: [3]][in the case of Option II the following applies: [9]][in the case of Option V the following applies: [for Fixed Rate Securities and Securities with an Interest Switch the following applies: [3]][for Securities other than Fixed Rate Securities and without an Interest Switch the following applies:[9]]) of the Terms and Conditions will be deleted and replaced by the following new § 3([3]/[9]):**

*“Accrual of Interest.* Unless EM Pass-Through Securities is specified as applicable in the applicable Final Terms in which case § 3([3]/[9]) shall not apply, each Security shall cease to bear interest from the expiry of the day preceding the day on which it is due for redemption, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. If the Issuer shall fail to redeem each Security when due, interest shall continue to accrue on the outstanding principal amount of such Security or, if Zero Recovery Portfolio Securities or Recovery Portfolio Securities is specified as applicable in the applicable Final Terms, on the Outstanding Principal Amount as of the day preceding the due date for redemption from (and including) the due date for redemption until (but excluding) the earlier of (i) the date on which all amounts due in respect of such Security have been paid and/or all assets deliverable in respect of such Security have been delivered, and (ii) five days after the date on which the full amount of the moneys payable in respect of such Security has been received by the Fiscal Agent and/or all assets in respect of such Security have been received by an agent appointed by the Issuer to deliver such assets to Securityholders and notice to that effect has been given to the Securityholders in accordance with § [in the case of Option I and Option II the following applies: [12]][in the case of Option V the following applies: [15]] at the Rate of Interest applicable in respect of the last occurring Interest Period, provided that:

- (a)
  - (i) if “Accrual of Interest upon Credit Event” is specified as applicable in the applicable Final Terms, each Security shall cease to bear interest from the Credit Event Determination Date; or
  - (ii) if “Accrual of Interest upon Credit Event” is specified as not applicable in the applicable Final Terms, subject as provided in paragraph (b) below and notwithstanding anything to the contrary in the Conditions, no interest will be payable in respect of the Securities in respect of which the relevant Interest Payment Date has not occurred on or prior to the Credit Event Determination Date or, if Zero Recovery Portfolio Securities or Recovery Portfolio Securities is specified as applicable in the applicable Final Terms, the last occurring Credit Event Determination Date, Provided That if the Credit Event Determination Date or, as applicable, last occurring Credit Event Determination Date falls prior to the first Interest Payment Date, no interest shall be payable in respect of the Securities;
- (b) subject to the provisions of § 6(4), § 6(5) or § 6(6), if DC Determinations is specified in the applicable Final Terms and a Credit Event Resolution Request Date occurs during an Interest Period but Conditions to Settlement are not satisfied on or prior to the Interest Payment Date in respect of such Interest Period (unless on or prior to such Interest Payment Date (w) a DC No Credit Event Announcement occurs with respect thereto, (x) the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether the relevant event constitutes a Credit

Event with respect to the Reference Entity or Obligation thereof, (y) the requisite number of Convened DC Voting Members (as defined in the Rules) have not agreed to deliberate the issue within the requisite time period or (z) the request the subject of the Credit Event Resolution Request Date has been withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request), no interest will be payable in respect of the Securities on that Interest Payment Date, notwithstanding that Conditions to Settlement are not then satisfied. If Conditions to Settlement are not satisfied on or prior to the Interest Payment Date in respect of the next Interest Period, the interest that would otherwise have been payable on the Interest Payment Date for the earlier Interest Period will be payable on the Interest Payment Date for that next Interest Period and interest will continue to be payable as provided herein thereafter. No further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and

(c) if:

- (x) § 6(4) or § 6(5) applies in respect of the Securities and, in the case of § 6(4), a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of § 6(5) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date, as the case may be; and/or
- (y) § 6(6) applies in respect of the Securities and the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, is postponed as provided therein,

then interest will accrue as provided in § 6(4), § 6(5) or § 6(6), as the case may be.

If EM Pass-Through Securities is specified as applicable in the applicable Final Terms, the provisions of § 6(25) below will apply.”

**2. If the Securities are Instalment Securities, § 4(1) of the Terms and Conditions will be amended by the deletion and replacement of the second and third paragraphs thereof by the following new paragraphs:**

Payment of principal other than payments of instalments of principal in respect of Definitive Securities shall be made, subject to paragraph (2), against presentation and (except in the case of partial payment where the Security shall be endorsed) surrender of the relevant Definitive Security to the Fiscal Agent or to any other Paying Agent outside the United States.

*Payment of Instalments of Principal.* Payments of instalments of principal in respect of Definitive Securities shall (subject as provided below) be made, subject to paragraph (2), against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with paragraph (2). Each Receipt must be presented for payment of the relevant instalment together with the Security to which it appertains. Receipts presented without the Security to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Security 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.

**3. § 4(6) will be deleted and replaced by the following new § 4(6):**

*References to Principal and Interest.* References in these Conditions to principal in respect of the Securities shall be deemed to include, as applicable: the Redemption Amount; the Credit Event Redemption Amount; the Early Redemption Amount; **[if redeemable at the option of Issuer for other than taxation reasons the following applies: the Call Redemption Amount;] [if redeemable at the option of the Securityholder the following applies: the Put Redemption Amount;] [if the Securities are subordinated and redemption at the Early Redemption Amount in the case of a regulatory event applies the following applies: the Early Redemption Amount]** and any premium and any other amounts which may be

payable under or in respect of the Securities. [Reference in these Conditions to interest in respect of the Securities shall be deemed to include any Additional Amounts which may be payable under § [in the case of Option I and Option II the following applies: [7]][in the case of Option V the following applies: [10]].]

4. § 5(1) of the Terms and Conditions will be deleted and replaced by the following new § 5(1):

**“CREDIT LINKED SECURITIES**

- (1) (a) *Redemption at Maturity.* Unless previously redeemed or purchased and cancelled in accordance with these Conditions and subject as provided in § 6(1), § 6(2) and § 6(3) each principal amount of Securities equal to the Calculation Amount set out in the applicable Final Terms will be redeemed on the Maturity Date by payment of the Redemption Amount.
- (b) *Redemption in Instalments.* Where Redemption in Instalments is specified as applicable in the applicable Final Terms, unless previously redeemed or purchased and cancelled in accordance with these Conditions and subject as provided in § 6(1), § 6(2) and § 6(3) each principal amount of Securities equal to the Calculation Amount set out in the applicable Final Terms will be redeemed on the Instalment Dates at the Instalment Amounts set out in the applicable Final Terms.”

5. [In the case of Option I and Option II the following applies: The following will be inserted as a new § 6 and the subsequent Conditions (including the original § 6) will be re-numbered accordingly][In the case of Option V the following applies: § 6 will be deleted and replaced by the following new § 6]:

**“PROVISIONS FOR CREDIT LINKED SECURITIES**

The “Redemption Amount” in respect of each principal amount of Securities equal to the Calculation Amount for the purposes of § 5(1) shall be specified in the applicable Final Terms.

(1) *Auction Settlement.*

If Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the “Credit Event Determination Date”) and Auction Settlement is specified in the applicable Final Terms, the Issuer shall give notice to the Securityholders in accordance with § [12]/[15] and redeem all but not some only of the Securities, each principal amount of Securities equal to the Calculation Amount being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date, provided that if the relevant Conditions to Settlement are subsequently deemed not to have been satisfied in accordance with the definition thereof in § 6(10), the Credit Event Determination Date previously determined shall be deemed not to have occurred and the redemption of the Securities shall be cancelled and the Securities shall continue in accordance with their terms as if the relevant Conditions to Settlement had not been satisfied, subject to such adjustments as the Calculation Agent determines appropriate in its sole and absolute discretion to reflect the retrospective effect of this provision (including, without limitation, adjusting the due date for payment of any amount payable under the Securities). The Issuer shall give notice to the Securityholders in accordance with § [12]/[15] that the relevant Conditions to Settlement are deemed not to have been satisfied as soon as practicable thereafter.

If:

- (x) unless settlement has occurred in accordance with the paragraph above, Conditions to Settlement are satisfied pursuant to sub-paragraph (a) of the definition thereof and on or prior to the Auction Cut-Off Date:



- (i) ISDA publicly announces that no Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity (the date on which ISDA first makes such announcement, the “**No Auction Announcement Date**”);
  - (ii) no No Auction Announcement Date has occurred but the relevant Credit Derivatives Determinations Committee has not determined that one or more Auctions will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity; or
  - (iii) the Calculation Agent determines that it is not reasonably likely that an Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity and gives notice of such to the Issuer (the date on which the Calculation Agent gives such notice, the “**Calculation Agent No Auction Determination Date**”); or
- (y) Conditions to Settlement are satisfied pursuant to sub-paragraph (b) of the definition thereof,
- then:
- (A) if Cash Settlement is specified as the applicable Fallback Settlement Method in the applicable Final Terms, the Issuer shall redeem the Securities in accordance with § 6(2) below; or
  - (B) if Physical Settlement is specified as the applicable Fallback Settlement Method in the applicable Final Terms, the Issuer shall redeem the Securities in accordance with § 6(3) below.

**If Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this § 6(1), upon payment of the Credit Event Redemption Amount in respect of the Securities the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the principal amount of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.**

(2) *Cash Settlement.*

If Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the “**Credit Event Determination Date**”) and Cash Settlement is specified in the applicable Final Terms or if § 6(1)(A) above applies, the Issuer shall give notice to the Securityholders in accordance with § [12]/[15] and redeem all but not some only of the Securities, each principal amount of Securities equal to the Calculation Amount being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date, provided that if the relevant Conditions to Settlement are subsequently deemed not to have been satisfied in accordance with the definition thereof in § 6(10), the Credit Event Determination Date previously determined shall be deemed not to have occurred and the redemption of the Securities shall be cancelled and the Securities shall continue in accordance with their terms as if the relevant Conditions to Settlement had not been satisfied, subject to such adjustments as the Calculation Agent determines appropriate in its sole and absolute discretion to reflect the retrospective effect of this provision (including, without limitation, adjusting the due date for payment of any amount payable under the Securities). The Issuer shall give notice to the Securityholders in accordance with § [12]/[15] that the relevant Conditions to Settlement are deemed not to have been satisfied as soon as practicable thereafter.

**If Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this § 6(2), upon payment of the Credit Event Redemption Amount in respect of the Securities the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the principal amount of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.**

(3) *Physical Settlement.*

If Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the “**Credit Event Determination Date**”) and Physical Delivery is specified in the applicable Final Terms or if § 6(1)(B) above applies, the Issuer shall give notice (such notice a “**Notice of Physical Settlement**”) to the Securityholders in accordance with § [12]/[15] and redeem all but not some only of the Securities, each principal amount of Securities equal to the Calculation Amount being redeemed by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with § 6(7) and (8), provided that if the relevant Conditions to Settlement are subsequently deemed not to have been satisfied in accordance with the definition thereof in § 6(10), the Credit Event Determination Date previously determined shall be deemed not to have occurred and the redemption of the Securities shall be cancelled and the Securities shall continue in accordance with their terms as if the relevant Conditions to Settlement had not been satisfied, subject to such adjustments as the Calculation Agent determines appropriate in its sole and absolute discretion to reflect the retrospective effect of this provision (including, without limitation, adjusting the due date for payment of any amount payable under the Securities). The Issuer shall give notice to the Securityholders in accordance with § [12]/[15] that the relevant Conditions to Settlement are deemed not to have been satisfied as soon as practicable thereafter. In the Notice of Physical Settlement the Issuer shall specify the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver. **For the avoidance of doubt, the Calculation Agent shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.**

If “Restructuring Maturity Limitation and Fully Transferable Obligation” is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice or the subject of the DC Resolution resulting in the satisfaction of Conditions to Settlement, as applicable, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as applying in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice or the subject of the DC Resolution resulting in the satisfaction of Conditions to Settlement, as applicable, then a Deliverable Obligation may be included in the Asset Amount 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.

**If Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this § 6(3), upon Delivery of the Deliverable Obligations Deliverable and/or payment of the Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Cash Settlement Amount may be less than the principal amount of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.**

(4) *Repudiation/Moratorium Extension.*

Where Repudiation/Moratorium is specified as a Credit Event in the applicable Final Terms, the provisions of this § 6(4) shall apply.

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if § 6(6)(y) applies, the Postponed Maturity Date (as defined below) and the Repudiation/Moratorium Evaluation Date in respect of the Potential Repudiation Moratorium will in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date or the Postponed Maturity Date, as applicable, then the Calculation Agent shall notify the Securityholders in accordance with § [12]/[15] that a Potential Repudiation/Moratorium has occurred and:

- (i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
  - (A) each principal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Redemption Amount on the second Business Day following the Repudiation/Moratorium Evaluation Date; and
  - (B) in the case of interest bearing Securities, the Issuer shall be obliged to pay (x) interest calculated as provided herein, accruing from (and including) the first day of the Interest Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date or, in the case of EM Pass-Through Securities, in respect of the Interest Payment Date falling on the Maturity Date and (y) additional interest calculated as provided herein on the basis of an additional Interest Period in respect of the Securities commencing on (and including) the Scheduled Maturity Date and ending on (but excluding) the second Business Day following the Repudiation/Moratorium Evaluation Date and determined by applying an overnight deposit rate determined by the Calculation Agent in its sole and absolute discretion from such source(s) as it may select for such day to the Calculation Amount, but shall only be obliged to make such payments of interest on the second Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest or such delay shall be payable; or
- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied in the Notice Delivery Period the provisions of §6(1), § 6(2) or § 6(3) as applicable shall apply to the Securities.

(5) *Grace Period Extension.*

If "Grace Period Extension" is specified as applicable in the applicable Final Terms, the provisions of this §6(5) shall apply:

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then:

- (i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
  - (A) each principal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Redemption Amount on the Grace Period Extension Date; and
  - (B) in the case of interest bearing Securities, the Issuer shall be obliged to pay (x) interest calculated as provided herein, accruing from (and including) the first day of the Interest Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date or, in the case of EM Pass-Through Securities, in respect of the Interest Payment Date falling on the Maturity Date and (y) additional interest calculated as provided herein on the basis of an additional Interest Period in respect of the Securities commencing on (and including) the Scheduled Maturity Date and ending on (but excluding) the Grace Period Extension Date and determined by applying an overnight deposit rate determined by the Calculation Agent in its sole and absolute discretion from such source(s) as it may select for such day to the Calculation Amount, but shall only be obliged to make such payments of interest on the Grace Period Extension Date and no further or other amount in respect of interest or such delay shall be payable; or

- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied in the Notice Delivery Period the provisions of § 6(1), § 6(2) or § 6(3) as applicable shall apply to the Securities.

(6) *Maturity Date Extension.*

If:

- (x) on (A) the Scheduled Maturity Date or, (B) if applicable, the Repudiation/Moratorium Evaluation Date, or (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or
- (y) on the Scheduled Maturity Date, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may notify the Securityholders in accordance with § [12]/[15] that the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, has been postponed to a date (such date the "**Postponed Maturity Date**") specified in such notice falling ninety calendar days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, or if such date is not a Business Day, the immediately succeeding Business Day and

where:

- (i) in the case of § 6(6)(x) Conditions to Settlement are not satisfied on or prior to the Postponed Maturity Date, or, in the case of § 6(6)(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date:
  - (A) subject as provided below each principal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Redemption Amount on the Postponed Maturity Date; and
  - (B) in the case of interest bearing Securities, the Issuer shall be obliged to pay (x) interest calculated as provided herein accruing from (and including) the first day of the Interest Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date or, in the case of EM Pass-Through Securities, in respect of the Interest Payment Date falling on the Maturity Date and (y) additional interest calculated as provided herein on the basis of an additional Interest Period in respect of the Securities commencing on (and including) the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, and ending on (but excluding) the Postponed Maturity Date and determined by applying an overnight deposit rate determined by the Calculation Agent in its sole and absolute discretion from such source(s) as it may select for such day to the Calculation Amount, but shall only be obliged to make such payments of interest on the Postponed Maturity Date and no further or other amount in respect of interest or such delay shall be payable; or
- (ii) where:
  - (A) in the case of § 6(6)(x) Conditions to Settlement are satisfied on or prior to the Postponed Maturity Date, the provisions of § 6(1), § 6(2) or § 6(3) as applicable shall apply to the Securities; or

- (B) in the case of § 6(6)(y) the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date, the provisions of § 6(4) shall apply to the Securities.

(7) *Physical Delivery.*

- (i) If any Security is to be redeemed by Delivery of the Deliverable Obligations comprising the Asset Amount, in order to obtain Delivery of the Deliverable Obligations comprising the Asset Amount(s) in respect of any Security:
  - (A) if such Security is represented by a Global Security, the relevant Securityholder must deliver to the relevant Clearing System, with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice; and
  - (B) if such Security is in definitive form, the relevant Securityholder must deliver to any Paying Agent with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice (as defined below).

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Security is represented by a Global Security, in such manner as is acceptable to the relevant Clearing System, or (ii) if such Security is in definitive form, in writing or by tested telex.

If the Security is in definitive form, the Security must be delivered together with the duly completed Asset Transfer Notice. An Asset Transfer Notice must:

- (1) specify the name and address of the relevant Securityholder, the person from whom the Issuer may obtain details for the Delivery of the Deliverable Obligations comprising the Asset Amount and any details required for Delivery of the Deliverable Obligations comprising the Asset Amount set out in the applicable Final Terms;
- (2) in the case of Securities represented by a Global Security, specify the principal amount of Securities which are the subject of such notice and the number of the Securityholder's account at the relevant Clearing System, to be debited with such Securities and irrevocably instruct and authorise the relevant Clearing System to debit the relevant Securityholder's account with such Securities on or before the Settlement Date;
- (3) include an undertaking to pay all Delivery Expenses and, in the case of Securities represented by a Global Security, an authority to debit a specified account of the Securityholder at the relevant Clearing System in respect thereof and to pay such Delivery Expenses;
- (4) specify an account to which any amounts payable pursuant to § 6(8) or any other cash amounts specified in the applicable Final Terms as being payable are to be paid; and
- (5) 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 relevant Clearing System or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Securityholder may not transfer the Securities which are the subject of such notice.

In the case of Securities represented by a Global Security, upon receipt of such notice, the relevant Clearing System shall verify that the person specified therein as the Securityholder is the holder of the specified principal amount of Securities according to its books.

Failure properly to 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 these Conditions shall be made, in the case of Securities represented by a Global Security, by the relevant Clearing System after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Securityholder and, in the case of Securities in definitive form, by the relevant Paying Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Securityholder.

Delivery of the Deliverable Obligations comprising the Asset Amount in respect of each Security shall be made at the risk of the relevant Securityholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Securityholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms.

If a Securityholder fails to give an Asset Transfer Notice as provided herein on or prior to the Cut-Off Date specified in the applicable Final Terms, the Issuer will, subject as provided above, Deliver the Deliverable Obligations comprising the Asset Amount in respect of the relevant Securities as soon as practicable after the receipt of the duly completed Asset Transfer Notice, provided that if, in respect of a Security, a Securityholder fails to give an Asset Transfer Notice prior to the day falling 180 calendar days after the Cut-Off Date, the Issuer's obligations in respect of such Securities shall be discharged and the Issuer shall have no liability in respect thereof.

- (ii) All Delivery Expenses arising from the Delivery of the Deliverable Obligations comprising the Asset Amounts in respect of such Securities shall be for the account of the relevant Securityholder and no Delivery of the Deliverable Obligations comprising the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Securityholder.

After Delivery of the Deliverable Obligations comprising an Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (x) be under any obligation to deliver or procure delivery to any Securityholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the securities or obligations included in such Asset Amount, (y) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations included in such Asset Amount or (z) be under any liability to a Securityholder in respect of any loss or damage which such Securityholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations included in such Asset Amount.

- (iii) In relation to each Deliverable Obligation constituting an Asset Amount the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on the Settlement Date, provided that if all or some of the Deliverable Obligations included in such Asset Amount are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, on or before the 30th Business Day following the Settlement Date (the "**Final Delivery Date**"),

Provided Further That if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of § 6(8) shall apply.

- (8) *Partial Cash Settlement.*

If all or a portion of the Undeliverable Obligations or Hedge Disruption Obligations comprising the Asset Amount are not Delivered by the Final Delivery Date, the Issuer shall give notice (a “**Cash Settlement Notice**”) to the Securityholders in accordance with § [12]/[15] and the Issuer shall pay in respect of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, the Cash Settlement Amount on the Cash Settlement Date.

In the Cash Settlement Notice the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligation, as the case may be.

Unless otherwise specified in the applicable Final Terms, for the purposes of this § 6(8) the following terms are deemed to have the following meanings:

“**Cash Settlement Amount**” is deemed to be, for each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, less (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount), and (ii) zero.

“**Cash Settlement Date**” is deemed to be the date falling three Business Days after the calculation of the Final Price.

“**Indicative Quotation**” means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer’s reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

“**Market Value**” means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date:

- (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the 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 Quotations 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, subject to sub-paragraph (b) of the definition of “Quotation” below, 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 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 on or prior to the fifteenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such fifteenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such fifteenth 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.

“**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:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the fifteenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the fifteenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such fifteenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such fifteenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.
- (c) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (d) 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.

“**Quotation Amount**” is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency con-



verted 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 or Hedge Disruption Obligations, as the case may be.

**“Quotation Method”** is deemed to be Bid.

**“Reference Obligation”** is deemed to be each Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

**“Valuation Method”** is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case “Valuation Method” is deemed to be Market.

**“Valuation Time”** is the time specified as such in the applicable Final Terms, or, if no time is so specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

**“Weighted Average Quotation”** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, 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.

(9) *Redemption following a Merger Event.*

If § 6(9) is specified as applicable in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Securityholders in accordance with § [12]/[15] and redeem the Securities at the Early Redemption Amount on the Merger Event Redemption Date.

(10) *Applicable Definitions.*

The following terms shall have the meanings given to them in the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) on 14 July 2009:

“Auction”;

“Auction Final Price”;

“Credit Derivatives Auction Settlement Terms”;

“Credit Derivatives Determinations Committee”;

“DC Resolutions”;

“Resolved”;

“Resolves”; and

“Rules”.

**“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 (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be (if any). Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent in its sole and absolute discretion) only if “Include Accrued Interest” is specified as applicable in the applicable 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)(ii) 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 (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable 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 for 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.

“**Affiliate**” means, in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes “control” means ownership of a majority of the voting power of an entity.

“**Asset Amount**” means, in respect of each principal amount of Securities equal to the Calculation Amount, Deliverable Obligations, as selected by the Calculation Agent in its sole and absolute discretion, with:

- (a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if “Include Accrued Interest” is specified as applying in the applicable Final Terms, but excluding 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, excluding accrued but unpaid interest); or
- (b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the Calculation Amount less, if Unwind Costs are specified as applicable in the applicable Final Terms, Deliverable Obligations with a market value determined by the Calculation Agent in its sole and absolute discretion on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to Unwind Costs.

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.

“**Asset Transfer Notice**” means a duly completed asset transfer notice substantially in the form set out in the Agency Agreement.

“**Auction Cut-Off Date**” means the date falling ninety calendar days after (a) the Scheduled Maturity Date or, (b) if § 6(4)(ii) applies, the Repudiation/Moratorium Evaluation Date, or (c) if § 6(5)(ii) applies, the Grace Period Extension Date or, (d) if § 6(6)(ii) applies, the Postponed Maturity Date.

“**Auction Final Price**” means:

- (a) if the relevant Credit Derivatives Determinations Committee determines that an Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity in respect of which Conditions to Settlement have been satisfied, the relevant Auction Final Price determined in accordance with such Auction; or
- (b) if the relevant Credit Derivatives Determinations Committee determines that more than one Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity in respect of which Conditions to Settlement have been satisfied:
  - (i) the Auction Final Price determined in accordance with the Auction applicable to credit derivatives transactions triggered by the credit protection buyer thereunder (“**Buyer Credit Derivatives Transactions**”) with Scheduled Termination Dates of a range within which the Scheduled Maturity Date falls;
  - (ii) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates of a range within which the Scheduled Maturity Date falls, the Auction Final Price determined in accordance with the Auction applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next earliest to the Scheduled Maturity Date;
  - (iii) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next earliest to the Scheduled Maturity Date, the Auction Final Price determined in accordance with the Auction applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next following the Scheduled Maturity Date; or
  - (iv) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next following the Scheduled Maturity Date, the Auction Final Price determined in accordance with the Auction applicable to credit derivatives transactions triggered by the credit protection seller thereunder.

“**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 thirty calendar days of the institution or presentation thereof or before the Maturity Date, whichever is earlier;

- (e) has a resolution passed for its winding-up, 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 thirty calendar days thereafter or before the Maturity Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in clauses (a) to (g) (inclusive).

**"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, or 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".

Information which is made available more than fourteen calendar days after the legally effective date of the Succession Event shall not constitute "Best Available Information".

**"Business Day"**:

- (a) has the meaning given to it in § 3 (*Interest*); or
- (b) if not defined in § 3 (*Interest*), means:
  - (i) (x) 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 dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or
  - (y) if the Specified Currency is euro, a day on which the TARGET2 System is open; and

- (ii) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in each Additional Credit Business Centre (if any) specified in the applicable Final Terms.

**“Conditionally Transferable Obligation”** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, 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 either:

- (a) if DC Determinations is specified in the applicable Final Terms and other than where the relevant Credit Event is a Restructuring, following the occurrence of a Credit Event Resolution Request Date on or following the Trade Date, ISDA publicly announces during the Notice Delivery Period that the relevant Credit Derivatives Determinations Committee has Resolved that such event constitutes a Credit Event; or
- (b) the delivery by the Calculation Agent to the Issuer of a Credit Event Notice that is effective and if Notice of Publicly Available Information is specified as applying in the applicable Final Terms, a Notice of Publicly Available Information, that is effective, in each case, during the Notice Delivery Period,

Provided That,

- (i) in the case of sub-paragraph (a) above, if the relevant Credit Derivatives Determinations Committee subsequently resolves that the relevant event does not constitute a Credit Event, Conditions to Settlement shall be deemed not to have been satisfied; and
- (ii) in the case of sub-paragraph (b) above and if DC Determinations is specified in the applicable Final Terms, if following the delivery of the Credit Event Notice by the Calculation Agent a Credit Event Resolution Request Date occurs in relation to the event referred to in the Credit Event Notice and prior to the Valuation Date:
  - (A) the Credit Event Notice is deemed to be revoked in accordance with its definition below, Conditions to Settlement shall be deemed not to have been satisfied; or
  - (B) the relevant Credit Derivatives Determinations Committee Resolves that such event constitutes a Credit Event with respect to the relevant Reference Entity or Obligation thereof, the Calculation Agent may in its sole and absolute discretion revoke the Credit Event Notice by giving notice to the Issuer, in which case Conditions to Settlement shall be deemed not to have been satisfied in accor-

dance with sub-paragraph (b) above but shall be deemed to be satisfied in accordance with sub-paragraph (a) above.

**“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 Event”** means the occurrence of any one or more of the Credit Events specified in the applicable Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or any additional Credit Event specified in the applicable Final Terms, as determined by the Calculation Agent.

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 defense 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 the relevant Credit Derivatives Determinations Committee has Resolved as constituting a Credit Event (or with respect to Repudiation/Moratorium, the event described in sub-paragraph (b) of the definition of Repudiation/Moratorium), the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or
- (b) otherwise:
  - (i) the date specified as such in the applicable Final Terms; or
  - (ii) if no such date is specified, the date that is 60 calendar days prior to the Trade Date.

For the avoidance of doubt, the Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**“Credit Event Notice”** means a notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after 12:01 a.m. (Greenwich Mean Time) on the Trade Date or, if earlier and if specified as applicable in the applicable Final Terms, the Credit Event Backstop Date and at or prior to 11:59 p.m., (Greenwich Mean Time), on the latest of:

- (a) the Scheduled Maturity Date;
- (b) where “Grace Period Extension” is specified as applicable in the applicable Final Terms, the Grace Period Extension Date if (i) the Credit Event that is the subject of the Credit Event Notice is

a Failure to Pay that occurs after the Scheduled Maturity Date; and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the Scheduled Maturity Date; and

- (c) the Repudiation/Moratorium Evaluation Date if:
- (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date;
  - (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the Scheduled Maturity Date; and
  - (iii) the Repudiation/Moratorium Extension Condition is satisfied.

provided that if DC Determinations is specified in the applicable Final Terms:

- (a) if the relevant Credit Derivatives Determinations Committee has Resolved that such event does not constitute a Credit Event with respect to the relevant Reference Entity or Obligation thereof, the Calculation Agent may not deliver a Credit Event Notice in relation thereto, unless the DC Resolutions in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Credit Event under the 2003 ISDA Credit Derivatives Definitions and the definition of Credit Event hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the Securities; and
- (b) if the relevant Credit Derivatives Determinations Committee subsequently Resolves that the event described in the Credit Event Notice does not constitute a Credit Event with respect to the relevant Reference Entity or Obligation thereof, the Credit Event Notice shall be deemed to be revoked and Conditions to Settlement shall be deemed not to have been satisfied, unless the DC Resolutions in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Credit Event under the 2003 ISDA Credit Derivatives Definitions and the definition of Credit Event hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the Securities.

For the avoidance of doubt, such deemed revocation of the Credit Event Notice shall not prevent the Calculation Agent from delivering a further Credit Event Notice subsequently in relation to a new Credit Event.

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

**“Credit Event Redemption Amount”** means the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

“A” is the Calculation Amount;

“B” is the Final Price or, if Auction Settlement is specified in the applicable Final Terms and § 6(1)(A) does not apply, the Auction Final Price; and

“C” is (i) if “Unwind Costs” is specified as applicable in the applicable Final Terms, Unwind Costs or (ii) if “Unwind Costs” is specified as not applicable in the applicable Final Terms, zero,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

“**Credit Event Redemption Date**” means the day following the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, three Business Days) after (a) the calculation of the Final Price or the publication of the Auction Final Price, as the case may be or (b) if the Credit Event Redemption Amount is specified in the applicable Final Terms or Fixed Recovery is specified as applicable in the applicable Final Terms, the Credit Event Determination Date.

“**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 has occurred with respect to the relevant 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,

unless the DC Resolutions in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Credit Event under the 2003 ISDA Credit Derivatives Definitions and the definition of Credit Event hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the Securities, 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 sub-paragraphs (a) and (b) above.

“**Currency Amount**” means, whenever an amount is denominated in a currency other than the Settlement Currency and is specified to be determined by reference to a Currency Amount, such amount converted to the relevant Settlement Currency using the Currency Rate.

“**Currency Rate**” means:

- (a) the rate determined by the Calculation Agent equal to the rate of conversion of the currency of the Deliverable Obligation into the Settlement Currency by reference to:
  - (i) if the Settlement Currency is U.S. Dollars, the Federal Reserve Bank of New York 10:00 a.m. (New York time) mid point rate as displayed on Reuters page FEDSPOT on the date that the Notice of Physical Settlement is deemed given, or on such date and in such other commercially reasonable manner as it shall determine; or
  - (ii) if the Settlement Currency is Euro, the MEAN price as displayed on Reuters Page EUROFX/1 as of 12:00 p.m. (London time) on the date that the Notice of Physical Settlement is deemed given, or on such date and in such other commercially reasonable manner as it shall determine; or
- (b) if the Settlement Currency is not U.S. Dollars or Euro, the rate determined by the Calculation Agent in its sole and absolute discretion in a commercially reasonable manner.

“**Default Requirement**” means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not specified in the applicable Final Terms, USD 10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.



**“Deliver”** means to deliver, novate, transfer (including, in the case of a 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 Asset Amount to the relevant Securityholder free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defence (other than a counterclaim or defense based on the factors set out in (a) to (d) in the definition of **“Credit Event”** above or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor) provided that if all or a portion of the Asset Amount consists of Direct Loan Participations, **“Deliver”** means to create (or procure the creation of) a participation in favour of the relevant Securityholder 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 as provided in § 6(3):

- (a) any obligation of a Reference Entity (either directly, as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in “(A) Method for Determining Deliverable Obligations” below (but excluding any Excluded Deliverable Obligation specified in the applicable Final Terms) 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 a counterclaim or defense based on the factors set forth in sub-paragraphs (a) to (d) of the definition of “Credit Event” above)) 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 date on which the Notice of Physical Settlement is deemed given, 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 of the definition of “Not Contingent” in “(A) Method for Determining Deliverable Obligations” below, each Reference Obligation, unless specified in the applicable 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 a counterclaim or defense based on the factors set forth in sub-paragraphs (a) - (d) of the definition of “Credit Event” above) or right of setoff 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 date on which the Notice of Physical Settlement is deemed given, 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; and
  - (d) any Additional Deliverable Obligation of a Reference Entity specified as such in the applicable Final Terms.
- (A) **Method for Determining Deliverable Obligations.** For the purposes of this definition of “Deliverable Obligation”, the term “Deliverable Obligation” may be defined as each obli-

gation of each Reference Entity described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to (B)(3) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of the date on which the Notice of Physical Settlement is deemed given. The following terms shall have the following meanings:

- (1) **“Deliverable Obligation Category”** means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of “Obligation” below, except that, for the purpose of determining Deliverable Obligations, the definition of “Reference Obligations Only” shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only).
- (2) **“Deliverable Obligation Characteristics”** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of “Obligation” below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer where:

- (i) **“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 Deliverable 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 (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise 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 clauses (A) and (B) of the preceding paragraph have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

- (ii) **“Assignable Loan”** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;
- (iii) **“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;

- (iv) **“Direct Loan Participation”** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Securityholder that provides each Securityholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Securityholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (v) **“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;
- (vi) **“Maximum Maturity”** means an obligation that has a remaining maturity from the Settlement Date of not greater than the period specified in the applicable Final Terms;
- (vii) **“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; and
- (viii) **“Not Bearer”** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

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

- (1) If the Obligation Characteristic “Listed” is specified in the applicable Final Terms, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;
- (2) if (i) either of the Deliverable Obligation Characteristics “Listed” or “Not Bearer” is specified in the applicable Final Terms, the Final Terms shall be construed as

though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;

- (3) 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; and
- (4) 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 applicable Final Terms from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable 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 Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the applicable Final Terms.
  - (iv) 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 applicable 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.

- (v) 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.
- (vi) The terms “Outstanding Principal Balance” and “Due and Payable Amount” (as they are used in the Terms and Conditions, including without limitation, the definitions of “Cash Settlement Amount” and “Quotation Amount” in § 6(8)), 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.

For the avoidance of doubt the provisions of this paragraph (B) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

**“Delivery Date”** means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is 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 Deliverable Obligations comprising the Asset Amount.

**“Domestic Currency”** means the currency specified as such in the applicable Final Terms and any successor currency. If no currency is specified in the applicable Final Terms, 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 fifty per cent. owned, directly or indirectly, by the Reference Entity.

**“Due and Payable Amount”** means, subject as provided in sub-paragraph (4)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of Deliverable Obligation, 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).

**“Eligible Transferee”** means each of the following:

- (a)
  - (i) any bank or other financial institution;
  - (ii) an insurance or reinsurance company;
  - (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) below); and
  - (iv) a 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 (1) has total assets of at least U.S.\$ 100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$ 100 million; or
  - (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); and
- (d) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition to U.S.\$ include equivalent amounts in other currencies.

**“Equity Securities”** means:

- (a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depository receipts representing 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 depository 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.

**“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 applicable Final Terms.

**“Excluded Obligation”** means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

**“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.

**“Final Price”** means:

- (a) the price of the Reference Obligation, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms. The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Securityholders at the specified office of the Fiscal Agent and, for so long as the Securities are listed on the Official List of the Luxembourg Stock Exchange at the office of the Paying

Agent in Luxembourg (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price; or

- (b) if Fixed Recovery is specified as applicable in the applicable Final Terms, the percentage specified therein.

**“Full Quotation”** means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance 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 as a requirement for consent for purposes of this definition of “Fully Transferable Obligation”. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of “Fully Transferable Obligation”, such determination shall be made as of the Delivery 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.

**“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:

- (a) subject to sub-paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred;
- (b) if Grace Period Extension is specified as applying in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, thirty calendar days; and
- (c) 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 applying in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity 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 applying in the applicable Final Terms; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date,

the day that is five Business Days following the day falling the number of days in the Grace Period after the date of such Potential Failure to Pay.

**“Hedge Disruption Event”** means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of any transaction entered into by the Issuer and/or such Affiliate to hedge the Issuer’s obligations or position in respect of the Securities.

**“Hedge Disruption Obligation”** means a Deliverable Obligation included in the Asset Amount which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

**“Intervening Period”** means such period of time as any person other than the relevant Securityholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.

**“Market Value”** means, with respect to a Reference Obligation on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations 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 fifteenth Business Day following the applicable Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such fifteenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such fifteenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**“Merger Event”** means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Maturity Date the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or the Issuer, as applicable, or the Issuer and a Reference Entity become Affiliates.

**“Minimum Quotation Amount”** means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD 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 date that is the later of (x) the Scheduled Maturity Date and (y) sixty months following the Restructuring Date in the case of a Restructured Bond or Loan, or thirty months following the Restructuring Date in the case of all other Deliverable Obligations.

**“Notice Delivery Period”** means the period from and including the Issue Date to and including (a) the Scheduled Maturity Date; (b) the Grace Period Extension Date if (i) “Grace Period Extension” is specified as applying 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 the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the Scheduled Maturity Date, and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date; (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied; or (d) the Postponed Maturity Date if the Maturity Date is postponed pursuant to § 6(6).

**“Notice of Publicly Available Information”** means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both clauses (a) and (b) of the definition of Repudiation/Moratorium. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applying in the applicable 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.

**“Obligation”** means:

- (a) any obligation of a Reference Entity (either directly, as a provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in “Method for Determining Obligations” below (but excluding any Excluded Obligation);
- (b) each Reference Obligation specified in the applicable Final Terms, unless specified as an Excluded Obligation; and
- (c) any Additional Obligation of a Reference Entity specified as such in the applicable Final Terms.

***Method for Determining Obligations.*** For the purposes of sub-paragraph (a) of this definition of “Obligation”, the term “Obligation” may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the applicable Final Terms, and having each of the Obligation Characteristics (if any) specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (A) **“Obligation Category”** means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms, where:
- (1) **“Payment”** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
  - (2) **“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);
  - (3) **“Reference Obligations Only”** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
  - (4) **“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;
  - (5) **“Loan”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
  - (6) **“Bond or Loan”** means any obligation that is either a Bond or a Loan.
- (B) **“Obligation Characteristics”** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:
- (1)
    - (a) **“Not Subordinated”** means an obligation that is not Subordinated to the most senior Reference Obligation in priority of payment or, if no Reference Obligation is specified in the applicable 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” herein has occurred with respect to all of the Reference Obligations or if the events described in the final paragraph of the definition of “Successor” herein have occurred with respect to 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 or each Prior Reference Obligation, as applicable, shall be determined as of the date on which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date;
    - (b) **“Subordination”** means, with respect to an obligation (the **“Subordinated Obligation”**) and another obligation of the Reference Entity to which such obligation is being compared (the **“Senior Obligation”**), a contractual, trust or other similar

arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) 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 be taken into account where the Reference Entity is a Sovereign;

- (2) **"Specified Currency"** means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if Specified Currency is specified in the applicable 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 shall be referred to collectively in the applicable Final Terms as the **"Standard Specified Currencies"**);
- (3) **"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";
- (4) **"Not Domestic Currency"** means any obligation that is payable in any currency other than the Domestic Currency;
- (5) **"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;
- (6) **"Listed"** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (7) **"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.

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

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

**“Outstanding Principal Balance”** means, subject as provided in sub-paragraph (4)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of Deliverable Obligation:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof; and
- (b) with respect to any other obligation, the outstanding principal balance of such obligation,

provided that with respect to any Exchangeable Obligation that is not an Accreting Obligation, “Outstanding Principal Balance” shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**“Payment Requirement”** means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the applicable Final Terms, USD 1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**“Permitted Currency”** means (i) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership), or (ii) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long term debt rating of either AAA or higher assigned to it by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody’s Investor Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings Ltd or any successor to the rating business thereof.

**“Physical Settlement Period”** means the number of Business Days specified as such in the applicable Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Asset Amount, 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.

**“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 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 (a) of the definition of Repudiation/Moratorium.

**“Publicly Available Information”** means:

- (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:
  - (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if either the Calculation Agent or the Issuer or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be

deemed to be Publicly Available Information unless either 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;

- (ii) is information received from or published by (A) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
  - (iii) is information contained in any petition or filing instituting a proceeding described in sub-paragraph (d) of the definition of Bankruptcy against or by a Reference Entity; or
  - (iv) 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.
- (b) In the event that the Calculation Agent 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 a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver to the Issuer a certificate signed by a Managing Director (or other substantially equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to such Obligation.
- (c) In relation to any information of the type described in sub-paragraphs (a)(ii), (iii) and (iv) above, the Calculation Agent 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 entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.
- (d) Publicly Available Information need not state:
- (i) in relation to the definition of “Downstream Affiliate”, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and
  - (ii) that such occurrence:
    - (A) has met the Payment Requirement or Default Requirement;
    - (B) is the result of exceeding any applicable Grace Period; or
    - (C) has met the subjective criteria specified in certain Credit Events.

“**Public Source**” means each source of Publicly Available Information specified as such in the applicable Final Terms (or if a source is not specified in the applicable Final Terms, 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).

“**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”**) and that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered 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.

**“Qualifying Participation Seller”** means any participation seller that meets the requirements specified in the applicable Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

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

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the fifteenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such fifteenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such fifteenth 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.
- (b)
  - (i) If “Include Accrued Interest” is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;
  - (ii) if “Exclude Accrued Interest” is specified in the applicable 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 applicable Final Terms in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (c) 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 the amount specified as such in the applicable Final Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is specified in the applicable Final Terms, the aggregate principal amount of the Securities or, if the Securities were on the Issue Date linked to a portfolio of Reference Entities (for the avoidance of

doubt this does not include Securities to which § 6(24) below applies), the proportion of the aggregate principal amount of the Securities that the Calculation Agent determines is referable to the credit protection purchased by the Issuer under the Securities in relation to the relevant Reference Entity (or, in any case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

**“Quotation Dealer”** means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained other than Deutsche Bank AG, London Branch including each Quotation Dealer specified in the applicable Final Terms. If no Quotation Dealers are specified in the applicable Final Terms, the Calculation Agent shall select the Quotation Dealers in its sole and absolute discretion. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

**“Quotation Method”** means the applicable Quotation Method specified in the applicable Final Terms by reference to one of the following terms:

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

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply.

**“Reference Entity”** means the entity or entities specified as such in the applicable Final Terms. Any Successor to a Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of “Successor” in this § 6(10) on or following the Trade Date or (b) in respect of which ISDA publicly announces 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 shall, in each case, be the Reference Entity for the purposes of the relevant Securities, unless in the case of sub-paragraph (b) the Calculation Agent, acting in good faith and a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2003 ISDA Credit Derivatives Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such DC Resolution for the purposes of the Securities.

**“Reference Obligation”** means each obligation specified or of a type described as such in the applicable Final Terms (if any are so specified or described) and any Substitute Reference Obligation.

**“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.

**“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:

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

**“Repudiation/Moratorium Evaluation Date”** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is sixty 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 sixty days after the date of such Potential Repudiation/Moratorium.

**“Repudiation/Moratorium Extension Condition”** means the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applicable in the applicable Final Terms, Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective during the period from and including the Trade Date to and including the Scheduled Maturity Date or, if § 6(6)(y) applies, the Postponed Maturity Date.

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

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

**“Restructuring”** means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of the Obligation to bind all the holders of such 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 the Trade Date and 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 (i) the payment or accrual of interest or (ii) 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.

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

- (a) 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 the European Union;
- (b) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (c) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

For purposes of the definition of Restructuring and § 6(12), 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 applicable 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 the initial paragraph and sub-paragraphs (i) to (v) of the definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.

**“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 the date that is the earlier of (x) thirty months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Maturity Date or later than thirty months following the Scheduled Maturity Date and if it is, it shall be deemed to be the Scheduled Maturity Date or thirty months following the Scheduled Maturity Date, as the case may be.

**“Settlement Currency”** means the currency specified as such in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the Securities.

**“Settlement Date”** means the last day of the longest Physical Settlement Period following:

- (x) the satisfaction of Conditions to Settlement; or
- (y) if Physical Settlement is the applicable Fallback Settlement Method, (1) if § 6(1)(x) above applies, the earlier to occur of the No Auction Announcement Date, the Auction Cut-Off Date or the Calculation Agent No Auction Determination Date or (2) if § 6(1)(y) above applies, the Credit Event Determination Date,

(in either case, the **“Scheduled Settlement Date”**) provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Settlement

Date, the Settlement Date shall be the earlier of (i) the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling 60 Business Days following the Scheduled Settlement Date.

“**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 applicable Final Terms, and, subject to paragraph (3) of “(B) *Interpretation of Provisions*” in the definition of “Deliverable Obligation”, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable 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 the number of Public Source(s) specified in the applicable Final Terms, or if no number is specified in the applicable Final Terms, two.

“**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 applicable 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* (or, if no such Obligation exists, then, at the Issuer’s option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Trade Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later 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 and (iii) is an 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 applicable Final Terms, as provider of any 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 a Series, any of the events set forth in 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 a Series, any of the events set forth in 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 a Series, any of the events set forth in 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 a Series, any of the events set forth in sub-paragraph (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 later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date (if any) and (C) the Repudiation/Moratorium Evaluation Date (if any). If (1) either "Cash Settlement" is specified in the applicable Final Terms and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or "Physical Delivery" is specified in the applicable Final Terms and the Reference Obligation is the only Deliverable Obligation and (2) on or prior to the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date or (C) the Repudiation/Moratorium Evaluation Date, a Substitute Reference Obligation has not been identified, the Issuer's obligations under the Securities shall cease as of the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date or (C) the Repudiation/Moratorium Evaluation Date.

- (f) For the 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.

**"Succession Event"** means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, de-merger, consolidation, amalgamation, transfer of assets or liabilities, 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 (ii) 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. Notwithstanding the foregoing, "Succession Event" shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connec-

tion with a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, spin-off or other similar event.

**“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 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.

**“Successor”** means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:
  - (i) if one entity directly or indirectly succeeds to seventy-five 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 twenty-five per cent. (but less than seventy-five per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor;
  - (iii) if more than one entity each directly or indirectly succeed to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;
  - (iv) if one or more entity each directly or indirectly succeed to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;
  - (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 twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; 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 twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (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, each entity which becomes a direct or indirect successor to that Reference Entity by way of Succession Event irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

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 fourteen 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 forth above have been met, or which entity qualifies under (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 the definition of Successor in relation to the relevant Reference Entity, and in 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 the request the subject of the Succession Event Resolution Request Date is withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event with respect to the relevant Reference Entity has occurred, unless in either case the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2003 ISDA Credit Derivatives Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such DC Resolutions for the purposes of the Securities. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, in respect of 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, as soon as practicable after such calculation, make such calculation available for inspection by Securityholder(s) at the specified office of the Fiscal Agent.

In the case of (b) 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 fourteen calendar days after the date of occurrence of the relevant Succession Event), and with effect from the date of occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under (b) above; 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 the definition of Successor in relation to the relevant Reference Entity, and in sub-paragraphs (a) and (b)(ii) 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 the request the subject of the Succession Event Resolution Request Date is withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event with respect to the relevant Reference Entity has occurred, unless in either case the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2003 ISDA Credit Derivatives Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such DC Resolutions for the purposes of the Securities.

Where pursuant to sub-paragraphs (a)(iii) or (a)(iv) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Terms and Conditions and/or the applicable Final Terms as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Terms and Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Securities under the provisions of the 2003 ISDA Credit Derivatives Definitions.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Securityholders in accordance with § [12]/[15], stating the adjustment to the Terms and Conditions and/or the applicable Final Terms and giving brief details of the relevant Succession Event.

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 (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 sub-paragraph (a) of this 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.

Where:

- (A) a Reference Obligation is specified in the applicable Final Terms; and
- (B) one or more Successors to the Reference Entity have been identified; and
- (C) 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" above.

"**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 the European Bank for Reconstruction and Development.

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

"**Trade Date**" means the date specified as such in the applicable Final Terms.

"**Undeliverable Obligation**" means a Deliverable Obligation included in the Asset Amount which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Settlement Date.

"**Unwind Costs**" means:

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

- (b) if “**Standard Unwind Costs**” are specified in the applicable Final Terms, an amount (which may be positive, negative or zero) determined by the Calculation Agent equal to the sum of (without duplication):
- (i) the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer (as applicable zero or expressed as a positive amount); and
  - (ii) any gains realised by the Issuer (as applicable zero or expressed as a negative amount),
- in either case in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each principal amount of Securities equal to the Calculation Amount.

“**Valuation Date**” means (a) where Physical Delivery is specified as applicable in the applicable Final Terms, the day falling three Business Days after the Final Delivery Date, or (b) where Cash Settlement is specified as applicable in the applicable Final Terms, (A) if “Single Valuation Date” is specified in the applicable Final Terms, the date that is (i) the number of Business Days specified in the Final Terms or (ii), if the number of Business Days is not so specified, five Business Days, in either case after (x) the Credit Event Determination Date or (y) if Cash Settlement is the applicable Fallback Settlement Method, (1) if § 6(1)(x) above applies, the earlier to occur of the No Auction Announcement Date, the Auction Cut-Off Date or the Calculation Agent No Auction Determination Date or (2) if § 6(1)(y) above applies, the Credit Event Determination Date, and (B) if “Multiple Valuation Dates” is specified in the applicable Final Terms, each of the following dates:

- (i) the date that is the number of Business Days specified in the applicable Final Terms after (x) the Credit Event Determination Date or (y) if Cash Settlement is the applicable Fallback Settlement Method, (1) if § 6(1)(x) above applies, the earlier to occur of the No Auction Announcement Date or the Auction Cut-Off Date or the Calculation Agent No Auction Determination Date or (2) if § 6(1)(y) above applies, the Credit Event Determination Date (or in either case if the number of Business Days is not specified, five Business Days); and
- (ii) each successive date that is the number of Business Days specified in the applicable Final Terms (or if the number of Business Days is not so specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When “Multiple Valuation Dates” is specified in the applicable Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable Final Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither “Single Valuation Date” nor “Multiple Valuation Dates” is specified in the applicable Final Terms, Single Valuation Date shall apply.

“**Valuation Method**”:

- (a) The following Valuation Methods may be specified in the applicable Final Terms for a Series 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 Highest.

- (b) The following Valuation Methods may be specified in the applicable Final Terms for a Series 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 Highest.

- (c) The following Valuation Methods may be specified in the applicable Final Terms for a Series 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; or
  - (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.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Blended Highest.

- (d) The following Valuation Methods may be specified in the applicable Final Terms for a Series 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; or
  - (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.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Blended Highest.

- (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 Time”** means 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 Reference Obligation.

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



**“Weighted Average Quotation”** means in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but, if a Minimum Quotation Amount is specified in the applicable Final Terms, 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 aggregate are approximately equal to the Quotation Amount.

(11) *Credit Event Notice after Restructuring Credit Event.*

If § 6(11) is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring Credit Event during the Notice Delivery Period:

- (a) the Calculation Agent may deliver a Credit Event Notice in respect of an amount (the **“Partial Redemption Amount”**) that is less than the principal amount outstanding of each Security immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of § 6 shall be deemed to apply to the Partial Redemption Amount only and each such Security shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).
- (b) For the avoidance of doubt (i) the principal amount of each such Security not so redeemed in part shall remain outstanding and interest shall accrue on the principal amount outstanding of such Security as provided in § 3 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (ii) the provisions of § 6 shall apply to such principal amount outstanding of such Security in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (iii) once a Credit Event Notice with respect to a Restructuring Credit Event has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring Credit Event.
- (c) If the provisions of this § 6(11) apply in respect of the Securities, on redemption of part of each such Security the relevant Security or, if the Securities are represented by a Global Security, such Global Security, shall be endorsed to reflect such part redemption.

(12) *Provisions relating to Multiple Holder Obligation.*

If § 6(12) is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (i) to (v) of the definition of **“Restructuring”** shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**“Multiple Holder Obligation”** means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) 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.

(13) (i) *Provisions taken from the ISDA supplement titled “Additional Provisions-Monoline Insurer as Reference Entity (May 2003)”*

If § 6(13)(i) is specified as applicable in the applicable Final Terms, the following provisions will apply:

- (a) *Obligation and Deliverable Obligation.* Sub-paragraph (a) of the definition of “Obligation” in § 6(10) and sub-paragraph (a) of the definition of “Deliverable Obligation” in § 6(10)

are hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”.

- (b) *Interpretation of Provisions.* In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (B) of the definition of “Deliverable Obligation” in § 6(10) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
- (A) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms “obligation” and “obligor” as used in this § 6 in respect of such an Insured Instrument shall be construed accordingly;
  - (B) references in the definitions of Assignable Loan and Consent Required Loan to “the guarantor” and “guaranteeing” shall be deemed to include “the insurer” and “insuring”, respectively;
  - (C) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;
  - (D) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
  - (E) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “Outstanding Principal Balance” shall mean the outstanding Certificate Balance and “maturity”, as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (c) *Not Contingent.* An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction. By specifying that this § 6(13)(i) is applicable, no inference should be made as to the interpretation of the “Not Contingent” Deliverable Obligation Characteristic in the context of limited recourse or similar terms applicable to Deliverable Obligations other than Qualifying Policies.
- (d) *Deliver.* For the purposes of the definition of “Deliver” in § 6(10), “Deliver” with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally

recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and “Delivery” and “Delivered” will be construed accordingly.

- (e) *Provisions for Determining a Successor.* The paragraph commencing “For the purposes of this definition of “Successor” in the definition of “Successor” in § 6(10) is hereby amended by adding “or insurer” after “or guarantor”.
- (f) *Substitute Reference Obligation.* The first paragraph of the definition of “Substitute Reference Obligation” and sub-paragraph (b) thereof in § 6(10) is hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”. For purposes of sub-paragraph (a)(ii)(B) the definition of “Substitute Reference Obligation” references to “the Qualifying Guarantee” and the “Underlying Obligation” shall be deemed to include “the Qualifying Policy” and “the Insured Instrument”, respectively.
- (g) *Other Provisions.* For purposes of sub-paragraph (a)(ii) of the definition of “Deliverable Obligation” and the definitions of “Credit Event” and “Deliver” in § 6(10) references to “the Underlying Obligation” and “the Underlying Obligor” shall be deemed to include “Insured Instruments” and the “Insured Obligor”, respectively.
- (h) Additional Definitions.

“**Qualifying Policy**” means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in this § 6(13)(i)) (the “**Insured Instrument**”) for which another party (including a special purpose entity or trust) is the obligor (the “**Insured Obligor**”). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments).

“**Instrument Payments**” means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in § 6(13)(i)(c) above and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

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

- (ii) *Provisions taken from the ISDA supplement titled “Additional Provisions – Monoline Insurer as Reference Entity (January 2005)”*

If § 6(13)(ii) is specified as applicable in the applicable Final Terms, the following provisions will apply:

- (a) *Obligation and Deliverable Obligation.* Sub-paragraph (a) of the definition of “Obligation” in § 6(10) and sub-paragraph (a) of the definition of “Deliverable Obligation” in § 6(10)

are hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”.

- (b) *Interpretation of Provisions.* In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (B) of the definition of “Deliverable Obligation” in § 6(10) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
- (A) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms “obligation” and “obligor” as used in this § 6 in respect of such an Insured Instrument shall be construed accordingly;
  - (B) references in the definitions of Assignable Loan and Consent Required Loan to “the guarantor” and “guaranteeing” shall be deemed to include “the insurer” and “insuring”, respectively;
  - (C) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;
  - (D) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
  - (E) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “Outstanding Principal Balance” shall mean the outstanding Certificate Balance and “maturity”, as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

For the avoidance of doubt, if § 6(14) is specified as applying in the applicable Final Terms the amendments to paragraph (B) of the definition of “Deliverable Obligation” in § 6(10) provided in § 6(13) shall not be construed to apply to Qualifying Policies and Insured Instruments.

- (c) *Not Contingent.* An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction. By specifying that this § 6(13)(ii) is applicable, no inference should be made as to the interpretation of the “Not Contingent” Deliverable Obligation Characteristic in the context of limited recourse or similar terms applicable to Deliverable Obligations other than Qualifying Policies.

- (d) *Deliver.* For the purposes of the definition of “Deliver” in § 6(10), “Deliver” with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and “Delivery” and “Delivered” will be construed accordingly.
- (e) *Provisions for Determining a Successor.* The paragraph commencing “For the purposes of this definition of “Successor” in the definition of “Successor” in § 6(10) is hereby amended by adding “or insurer” after “or guarantor”.”.
- (f) *Substitute Reference Obligation.* The first paragraph of the definition of “Substitute Reference Obligation” and sub-paragraph (b) thereof in § 6(10) is hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”. For purposes of sub-paragraph (a)(ii)(B) the definition of “Substitute Reference Obligation” references to “the Qualifying Guarantee” and the “Underlying Obligation” shall be deemed to include “the Qualifying Policy” and “the Insured Instrument”, respectively.
- (g) Restructuring.
  - (i) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, sub-paragraphs (i) to (v) inclusive of the definition of “Restructuring” in § 6(10) are hereby amended to read as follows:
    - (A) a reduction in the rate or amount or the Instrument Payments in clause (A)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
    - (B) a reduction in the amount of the Instrument Payments described in clause (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
    - (C) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in clause (A)(x) of the definition thereof or (B) the payment of the Instrument Payments described in clause (A)(y) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;
    - (D) a change in the ranking in priority of payment of (I) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (II) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
    - (E) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency.
  - (ii) Sub-paragraph (c) of the definition of “Restructuring” in § 6(10) is hereby amended by adding “or, in the case of a Qualifying Policy and an Insured Instrument, where (I) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates

on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (II) such event is not a change in the ranking in the priority of payment of the Qualifying Policy” after “Reference Entity”.

- (iii) The definition of “Restructuring” in § 6(10) is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

“For purposes of the definition of “Restructuring” in § 6(10) and if § 6(12) is specified as applying in the applicable Final Terms for the purposes of § 6 the term Obligation shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in the definition of “Restructuring” shall be deemed to refer to the Insured Obligor and the reference to the Reference Entity in sub-paragraphs (a) to (c) inclusive in the definition of “Restructuring” shall continue to refer to the Reference Entity.”

- (h) *Fully Transferable Obligation and Conditionally Transferable Obligation.* In the event that “Restructuring Maturity Limitation and Fully Transferable Obligation” and/or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation” is specified as applying in the applicable Final Terms and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition. References in the definition of Conditionally Transferable Obligation to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “final maturity date”, as such term is used in § 6(3) and the definition of “Restructuring Maturity Limitation Date”, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (i) *Other Provisions.* For purposes of sub-paragraph (a)(ii) of the definition of “Deliverable Obligation” and the definitions of “Credit Event” and “Deliver” in § 6(10), references to the “Underlying Obligation” and the “Underlying Obligor” shall be deemed to include “Insured Instruments” and the “Insured Obligor”, respectively.
- (j) Additional Definitions.

“**Qualifying Policy**” means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in this § 6(13)(ii)) (the “**Insured Instrument**”) for which another party (including a special purpose entity or trust) is the obligor (the “**Insured Obligor**”). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments).

“**Instrument Payments**” means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of

the type described in § 6(13)(ii)(c) above and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

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

(14) *Supplement to provisions relating to Qualifying Guarantee and Underlying Obligation.*

(a) If this § 6(14) is specified as applicable in the applicable Final Terms, § 6(10) shall be amended by the deletion of paragraphs (B)(4)(ii) and (B)(4)(iii) of the definition of “Deliverable Obligation”, the substitution of the following therefor and the re-numbering of the remaining paragraphs accordingly:

“(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 Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable 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.”; and

(iii) the deletion of the definition of “Qualifying Guarantee” and the substitution of the following therefor:

“**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 (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) 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 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.”; and

(b) § 6(12) shall be amended by the insertion of the following at the end of the first paragraph thereof:

“provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (ii) of the definition of “Multiple Holder Obligation” below”.

(15) *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 the Securities shall (in the absence of manifest error) be final and binding on the Issuer and the Securityholders. 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 Securities, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the perform-

ance or exercise of any of its obligations or its discretion under the Securities 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 neither the Calculation Agent nor 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.

(16) *Physical Settlement Matrix.*

If Physical Settlement Matrix is specified as applicable in the applicable Final Terms, the provisions specified as applicable and, if applicable, as amended in each case as set out below, in respect of the applicable Transaction Type(s) set out in the Credit Derivatives Physical Settlement Matrix as published by the International Swaps and Derivatives Association, Inc. on the Date of Physical Settlement Matrix specified in the applicable Final Terms (the “**ISDA Physical Settlement Matrix**”), as specified in the applicable Final Terms, shall apply.

<b>Provision</b>	<b>Applicable Not Applicable</b>	<b>Amendments to ISDA Physical Settlement Matrix</b>
Business Days	Not Applicable	Not Applicable
Calculation Agent City	Not Applicable	Not Applicable
All Guarantees	Applicable	None
Conditions to Settlement	Not Applicable	Not Applicable
Credit Events	Applicable	References to “Floating Rate Payer Calculation Amount” shall be deemed to be references to “Calculation Amount”.
Obligation Category	Applicable	None
Obligation Characteristics	Applicable	None
Settlement Method	Not Applicable	Not Applicable
Fallback Settlement Method	Not Applicable	Not Applicable
Physical Settlement Period	Applicable	References to “Section 8.6 of the Definitions” shall be deemed to be references to “the definition of Physical Settlement Period in § 6(10)”.
Deliverable Obligation Category	Applicable	None
Deliverable Obligation Characteristics	Applicable	None
Escrow	Not Applicable	Not Applicable
60 Business Day Cap on Settlement	Not Applicable	Not Applicable
Additional Provisions for Physically Settled Default Swaps – Monoline Insurer	Applicable	(a) The reference to “Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity (21 January 2005)” shall be



<u>Provision</u>	<u>Applicable Not Applicable</u>	<u>Amendments to ISDA Physical Settlement Matrix</u>
as Reference Entity (21 January 2005)		<p>deemed to be a reference to “§ 6(13)(ii) – Provisions taken from the ISDA supplement titled “Additional Provisions – Monoline Insurer as Reference Entity (January 2005)””; and</p> <p>(b) the reference to “the relevant Confirmation” shall be deemed to be a reference to “the applicable Final Terms”.</p>
Additional Provisions for the Russian Federation (13 August 2004)	Applicable	References to “Additional Provisions for the Russian Federation (13 August 2004)” shall be deemed to be references to “§ 6(17) Provisions taken from the ISDA supplement titled “Additional Provisions for the Russian Federation: Obligation Characteristics and Deliverable Obligation Characteristics (published on 13 August 2004)””.
Additional Provisions for the Republic of Hungary (14 February 2005)	Applicable	References to “Additional Provisions for the Republic of Hungary (14 February 2005)” shall be deemed to be references to “§ 6(18) Provisions taken from the ISDA supplement titled “Additional Provisions for the Republic of Hungary: Obligation Characteristics and Deliverable Obligation Characteristics (published on 14 February 2005)””.
Additional Provisions for the Argentine Republic: Excluded Obligations and Excluded Deliverable Obligations (21 December 2005)	Applicable	References to “Additional Provisions for the Argentine Republic: Excluded Obligations and Excluded Deliverable Obligations (21 December 2005)” shall be deemed to be references to “§ 6(19) Provisions taken from the ISDA supplement titled “Additional Provisions for the Argentine Republic: Excluded Obligations and Excluded Deliverable Obligations (published on 21 December 2005)””.
Additional Provisions for a Secured Deliverable Obligation Characteristic (16 June 2006)	Not Applicable	Not Applicable
Additional Provisions for Reference Entities with Delivery Restrictions (1 February 2007)	Not Applicable	Not Applicable
Additional Provisions for LPN Reference Entities (3 October 2006)	Applicable	References to “Additional Provisions for LPN Reference Entities (3 October 2006)” shall be deemed to be references to “§ 6(20) Provisions taken from the ISDA supplement titled “Additional Provisions for LPN Reference Entities (published on 3 October 2006)””.
Additional Provisions for STMicroelectronics NV (6 December 2007)	Applicable	References to “Additional Provisions for STMicroelectronics NV (6 December 2007)” shall be deemed to be references to “§ 6(21) Provisions taken from the ISDA supplement titled “Additional Provisions for STMicroelectronics NV (published on 6 December 2007)””.

Provision	Applicable Not Applicable	Amendments to ISDA Physical Settlement Matrix
2009 ISDA Credit Derivatives Determinations Committee, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definition (14 July 2009)	Not Applicable	Not Applicable
Additional Provisions for Fixed Recovery CDS Transactions (24 September 2010)	Not Applicable	Not Applicable
Additional Provisions for Recovery Lock Credit Derivatives Transactions (2 March 2011)	Not Applicable	
Additional Provisions for Sukuk Corporate and Sukuk Sovereign Transaction Types (2 November 2010)	Applicable	References to "Additional Provisions for Sukuk Corporate and Sukuk Sovereign Transaction Types (November 2, 2010)" shall be deemed to be references to "§ 6(23) Provisions taken from the ISDA supplement titled "Additional Provisions for Sukuk Corporate and Sukuk Sovereign Transaction Types (published on 2 November 2010)".
2012 ISDA U.S. Municipal Reference Entity Supplement to the 2003 ISDA Credit Derivatives Definitions (5 March 2012)	Not Applicable	
Additional Provisions for the Hellenic Republic (29 May 2012)	Not Applicable	
Earliest Exercise Time	Not Applicable	Not Applicable
Expiration Time	Not Applicable	Not Applicable
Fixed Rate Payer Payment Dates frequency	Not Applicable	Not Applicable
(17) <i>Provisions taken from the ISDA supplement titled "Additional Provisions for the Russian Federation: Obligation Characteristics and Deliverable Obligation Characteristics (published on 13 August 2004)"</i>		
		If § 6(17) is specified as applicable in the applicable Final Terms:
	(a)	notwithstanding the definition of "Obligation" in § 6(10), any obligation that is, in the determination of the Calculation Agent, "IANs", "MinFins" or "PRINs" shall not be an "Obligation"; and

- (b) notwithstanding the definition of “Deliverable Obligation” in § 6(10), any obligation that is, in the determination of the Calculation Agent, “IANs”, “MinFins” or “PRINs” shall not be a “Deliverable Obligation”.

For the purposes hereof:

“**IANs**” means floating rate interest notes due 2002 and 2015 issued by Vnesheconombank of the USSR pursuant to the Restructuring Agreement and an Exchange Agreement, dated as of 6 October 1997, among Vnesheconombank of the USSR, the Closing Agent and Participating Creditors named therein.

“**MinFins**” (also known as “OVVZs” or “Taiga” bonds) means Internal Government Hard Currency Bonds issued by the Ministry of Finance of the Russian Federation representing (i) restructured debt of the former USSR (Series, II, III, IV, V and VIII) or (ii) debt of the Russian Federation issued in 1996 (Series VI and VII).

“**PRINs**” means Vnesheconombank’s loans arising under a Restructuring Agreement and an Exchange Agreement, dated as of 6 October 1997, among Vnesheconombank of the USSR, the Closing Agent and Participating Creditors named therein.

- (18) *Provisions taken from the ISDA supplement titled “Additional Provisions for the Republic of Hungary: Obligation Characteristics and Deliverable Obligation Characteristics (published on 14 February 2005)”*

If § 6(18) is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in these Terms and Conditions, the following provisions will apply:

- (a) the definition of “Obligation” in § 6(10) shall be deemed also to include any National Bank of Hungary Obligation;
- (b) the definition of “Deliverable Obligation” in § 6(10) shall be deemed also to include any National Bank of Hungary Deliverable Obligation; and
- (c) the following additional definitions shall apply:

“**Event of Default**” means any failure by the National Bank of Hungary as issuer or obligor or guarantor of the relevant obligation, to make, when due any payment of principal or premium or prepayment charge or interest, if any, on such obligation.

“**National Bank of Hungary Deliverable Obligation**” means any obligation of the National Bank of Hungary (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) and any Successor:

- (i) which has the Deliverable Obligation Characteristic “Not Subordinated”, where solely for the purposes of this definition of “Not Subordinated” the National Bank of Hungary shall be deemed to be a Reference Entity in respect of which a Reference Obligation has not been specified;
- (ii) which is described by the Deliverable Obligation Category specified in respect of the Republic of Hungary;
- (iii) which has each of the Deliverable Obligation Characteristics specified in respect of the Republic of Hungary; and
- (iv) in relation to which the occurrence or existence of an Event of Default (as defined above) will cause any obligation(s) of the Republic of Hungary in respect of Borrowed Money to become, with the lapse of any grace period and subject to any other requirements under

the terms of such Borrowed Money obligation (including requirements as to the amounts of such default), immediately due and payable, pursuant to the terms of such Borrowed Money obligation.

**“National Bank of Hungary Obligation”** means any obligation of the National Bank of Hungary (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) and any Successor:

- (i) which has the Obligation Characteristic “Not Subordinated”, where solely for the purposes of the definition of “Not Subordinated” the National Bank of Hungary shall be deemed to be a Reference Entity in respect of which a Reference Obligation has not been specified;
- (ii) which is described by the Obligation Category specified in respect of the Republic of Hungary;
- (iii) which has each of the Obligation Characteristics specified in respect of the Republic of Hungary; and
- (iv) in relation to which the occurrence or existence of an Event of Default (as defined above) will cause any obligation(s) of the Republic of Hungary in respect of Borrowed Money to become, with the lapse of any grace period and subject to any other requirements under the terms of such Borrowed Money obligation (including requirements as to the amounts of such default), immediately due and payable, pursuant to the terms of such Borrowed Money obligation.

For the purposes only of construing the term “National Bank of Hungary Obligation”, the National Bank of Hungary shall be deemed to be a Reference Entity.

- (19) *Provisions taken from the ISDA supplement titled “Additional Provisions for the Argentine Republic: Excluded Obligations and Excluded Deliverable Obligations (published on 21 December 2005)”*

If § 6(19) is specified as applicable in the applicable Final Terms:

- (a) notwithstanding the definition of “Obligation” in § 6(10), any obligation that is a Bond that was issued on or prior to 1 June 2005 (other than any Bond constituting a New Security (as defined in the “Prospectus Supplement of the Republic of Argentina dated 10 January 2005”, as the same may be amended or supplemented)) shall be an “Excluded Obligation”; and
- (b) notwithstanding the definition of “Deliverable Obligation” in § 6(10), any obligation that is a Bond that was issued on or prior to 1 June 2005 (other than any Bond constituting a New Security (as defined in the “Prospectus Supplement of the Republic of Argentina dated 10 January 2005”, as the same may be amended or supplemented)) shall be an “Excluded Deliverable Obligation”.

- (20) *Provisions taken from the ISDA supplement titled “Additional Provisions for LPN Reference Entities (published on 3 October 2006)”*

If § 6(20) is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in these Terms and Conditions, the following provisions will apply:

- (a) Multiple Holder Obligation will be deemed to be Not Applicable with respect to any Reference Obligation (and any Underlying Loan);

- (b) each Reference Obligation will be an Obligation, notwithstanding anything to the contrary in these Terms and Conditions including, but not limited to the definition of “Obligation” in § 6(10), and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity;
- (c) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in these Terms and Conditions including, but not limited to the definition of “Deliverable Obligation” in § 6(10) and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity.

For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation.

The Not Subordinated Obligation Characteristic and Deliverable Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity;

- (d) the definition of Reference Obligation shall be deleted and the following substituted therefor:

“**Reference Obligation**” means, as of the Trade Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, which list is as of the Issue Date available at <http://www.markit.com/marketing/services.php>, any Additional LPN and each Additional Obligation.”; and

- (e) the following additional definitions shall apply:

“**Additional LPN**” means any bond issued in the form of a loan participation note (a “**LPN**”) by an entity (the “**LPN Issuer**”) for the sole purpose of providing funds for the LPN Issuer to (a) finance a loan to the Reference Entity (the “**Underlying Loan**”) or (b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the “**Underlying Finance Instrument**”), provided that (i) either (x) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity or (y) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics (ii) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Specified Currency – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs.

“**Additional Obligation**” means each of the obligations listed as an Additional Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, as of the Trade Date, which list is as at the Issue Date available at <http://www.markit.com/marketing/services.php>.

“**First Ranking Interest**” means a charge, security interest (or other type of interest having similar effect) (an “**Interest**”), which is expressed as being “first ranking”, “first priority”, or similar (“**First Ranking**”) in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any related insolvency jurisdiction of the LPN Issuer).

“**LPN Reference Obligation**” means each Reference Obligation other than any Additional Obligation.

For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation constituting a Reference Obligation.

Each LPN Reference Obligation is issued for the sole purpose of providing funds for the Issuer to finance a loan to the Reference Entity. For the purposes of the Securities each such loan shall be an Underlying Loan.

- (21) *Provisions taken from the ISDA supplement titled “Additional Provisions for STMicroelectronics NV (published on 6 December 2007)”*

If § 6(21) is specified as applicable in the applicable Final Terms and:

- (a) STMicroelectronics NV is a Reference Entity;
- (b) the USD 1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics NV is a Selected Obligation; and
- (c) such Selected Obligation is not immediately due and payable as of the relevant Delivery Date,

the outstanding principal balance of such Selected Obligation shall be deemed to be the amount payable on the scheduled maturity date of such Selected Obligation.

For the purposes hereof, “**Selected Obligation**” means, with respect to a Reference Entity, each Deliverable Obligations specified in the related Notice of Physical Settlement.

- (22) *Provisions taken from the ISDA supplement titled “Additional Provisions for Credit Derivative Transactions – U.S. Municipal Entity as Reference Entity (published on 17 September 2004)”*

If § 6(22) is specified as applicable in the applicable Final Terms, the following provisions will apply:

- (a) *Deliverable Obligation.* Sub-paragraph (d)(A)(2) of the definition of “Deliverable Obligation” in § 6(10) is hereby amended by adding “, Full Faith and Credit Obligation Liability, General Fund Obligation Liability, Revenue Obligation Liability” after “Not Domestic Issuance” in the third line thereof.
- (b) *Obligation.* The definition of “Obligation Characteristics” in paragraph (B) under the heading “Method for Determining Obligations.” In the definition of “Obligation” in § 6(10) is hereby amended by:
  - (i) deleting the word “and” after the word “Listed” in the introductory paragraph thereof and inserting a comma in lieu thereof;
  - (ii) adding “, Full Faith and Credit Obligation Liability, General Fund Obligation Liability and Revenue Obligation Liability” after “Not Domestic Issuance” in the introductory paragraph thereof;
  - (iii) adding “(in the case of a Revenue Obligation Liability, with respect to the revenues from which the Reference Obligation is payable)” after “Subordinated” in the first line of sub-paragraph (1)(a) thereof;
  - (iv) deleting “most senior” and “in priority of payment” in the second line of sub-paragraph (1)(a) thereof;
  - (v) adding the following at the end of sub-paragraph (1)(b) thereof:

“Notwithstanding the foregoing, a Full Faith and Credit Obligation Liability of a Reference Entity that is payable, in whole or in part, from ad valorem taxes (where the amount of such taxes that may be levied is subject to applicable constitutional, statutory and other legal limits) shall be deemed to be Subordinated to any Full Faith and Credit Obligation Liability of such Reference Entity that is payable, in whole or in part, from ad valorem taxes that are not so limited”;

- (vi) deleting the word “and” at the end of sub-paragraph (6) and adding the following sub-paragraphs (8), (9) and (10) at the end thereof:

“(8) **“Full Faith and Credit Obligation Liability”** means any liability of the Reference Entity:

- (a) the payment of which in accordance with its terms or applicable law is backed by the “full faith and credit” (or similar language) of the Reference Entity; or
- (b) that is payable from ad valorem taxes required to be levied on all taxable property within the taxing jurisdiction of the Reference Entity for the payment thereof, whether or not subject to any applicable constitutional, statutory and other legal limits with respect to the amount of such taxes that may be so levied.

Notwithstanding the foregoing, in addition to any of the sources described above, any Full Faith and Credit Obligation Liability may be backed by any other source of funds;

- (9) (a) **“General Fund Obligation Liability”** means any liability of the Reference Entity that is payable from the general fund of the Reference Entity and that is not a Moral Obligation Liability. For avoidance of any doubt, a Full Faith and Credit Obligation Liability that is payable from the general fund of the Reference Entity shall also constitute a General Fund Obligation Liability;

- (b) **“Moral Obligation Liability”** means any liability of the Reference Entity that is contingent upon an appropriation being made by the governing body or other official of the Reference Entity; and

- (10) **“Revenue Obligation Liability”** means any liability of the Reference Entity that is payable, in whole or in part, from the same source of revenues as the Reference Obligation and that is not a Moral Obligation Liability”.

- (c) *Publicly Available Information.* Sub-paragraph (a) of the definition of “Publicly Available Information” in § 6(10) is hereby amended by:

- (i) adding“, or a Sovereign in respect of a Reference Entity which is a Sovereign Agency” after “or a Sovereign Agency in respect of a Reference Entity which is a Sovereign” in sub-paragraph (ii) thereof;
- (ii) inserting “(x)” after “or filed with” in sub-paragraph (iv) thereof; and
- (iii) adding the following at the end of sub-paragraph (iv) thereof:

“, or (y) a nationally recognised municipal securities information repository, as recognised by the United States Securities and Exchange Commission”.

- (d) *Public Source.* The definition of “Public Source” in § 6(10) is hereby amended by inserting “, The Bond Buyer” after “Dow Jones News Wire”.
- (e) *Substitute Reference Obligation.* The definition of “Substitute Reference Obligation” in § 6(10) is hereby amended by:
- (i) adding “or defeased” after “redeemed” and “in accordance with its terms” after “in whole” in sub-paragraph (a)(i) thereof;
  - (ii) deleting “and” after “Issuer” in the ninth line of sub-paragraph (b) thereof and inserting a comma in lieu thereof; and
  - (iii) adding the following at the end of sub-paragraph (b) thereof:
- “and (iv) is a Full Faith and Credit Obligation Liability (if Full Faith and Credit Obligation Liability is specified as an Obligation Characteristic in the applicable Final Terms), is a General Fund Obligation Liability (if General Fund Obligation Liability is specified as an Obligation Characteristic in the applicable Final Terms), or is a Revenue Obligation Liability (if Revenue Obligation Liability is specified as an Obligation Characteristic in the applicable Final Terms)”.
- (f) *Successor.* Sub-paragraph (b) of the definition of “Successor” in § 6(10) is hereby amended by adding the following sentence at the end thereof:

“Notwithstanding the foregoing, in the event that Revenue Obligation Liability is specified as an Obligation Characteristic or Deliverable Obligation Characteristic, “Successor” shall mean an entity or public official that (a) succeeds to the principal functions of, or powers and duties granted to, the Reference Entity with respect to the project, programme or other enterprise from which revenues are derived for the payment, in whole or in part, of the Reference Obligation, and (b) assumes the Reference Obligation.”

- (23) *Provisions taken from the ISDA supplement titled "Additional Provisions for Sukuk Corporate and Sukuk Sovereign Transaction Types (published on 2 November, 2010)"*

If § 6(23) is specified as applicable in the applicable Final Terms, the following provisions will apply:

- (1) Multiple Holder Obligation will be Not Applicable with respect to any Obligation that is a Sukuk Obligation.
- (2) Each Qualifying Sukuk Obligation which satisfies the Not Subordinated, Not Domestic Currency, Not Domestic Law and Not Domestic Issuance Obligation Characteristics on the relevant date will be an Obligation notwithstanding anything to the contrary in these Terms and Conditions, including but not limited to the definition of "Obligation" in § 6(10) above and in particular, notwithstanding that a Qualifying Sukuk Obligation may not be an obligation of the Reference Entity.
- (3) Subject to the second paragraph of sub-paragraph (2)(i) of paragraph (A) (*Method for Determining Deliverable Obligations*) in the definition of "Deliverable Obligation" in § 6(10) above (for which purpose references to "Reference Obligation" shall be read as references to "Qualifying Sukuk Obligation"), each Qualifying Sukuk Obligation which:
  - (a) satisfies the Not Subordinated, Specified Currency: Standard Specified Currencies, Not Domestic Issuance, Not Domestic Law, Transferable and Not Bearer Deliverable Obligation Characteristics on the relevant date; and
  - (b) without regard to the effect of any provisions of such Qualifying Sukuk Obligation that permit expected amounts payable to be reduced, extinguished, postponed or withheld or



for recourse in respect of such Qualifying Sukuk Obligation to be limited (or any similar provisions, howsoever described), is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable and (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in paragraphs (a)-(d) of the definition of "Credit Event" in § 6(10) above) or right of set off by or of a Sukuk Issuer,

will be a Deliverable Obligation notwithstanding anything to the contrary in these Terms and Conditions, including but not limited to the definition of "Deliverable Obligation" in § 6(10) above, and in particular, notwithstanding that a Qualifying Sukuk Obligation may not be an obligation of the Reference Entity.

For the avoidance of doubt, any change as to the identity of the Sukuk Issuer shall not prevent a Sukuk Obligation from constituting a Qualifying Sukuk Obligation.

(4) **Markit Published Sukuk Obligation.** "**Markit Published Sukuk Obligation**" means each obligation set forth, as of the Credit Event Determination Date, on the relevant sukuk obligations list in respect of the Reference Entity, as published by Markit Group Limited, or any successor thereto.

(5) **Reference Obligation.** The definition of "Reference Obligation" in § 6(10) above shall be deleted in its entirety and replaced with the following:

"**Reference Obligation**" means (a) (i) each obligation specified as such or of a type described in the applicable Final Terms (if any are so specified or described) or (ii) if an obligation or type of obligation is not specified in the applicable Final Terms, each Markit Published Sukuk Obligation and (b) any Substitute Reference Obligation."

(6) **Qualifying Sukuk Obligation.** "**Qualifying Sukuk Obligation**" means any Sukuk Obligation in respect of which (a) if the related Recourse Obligation (if any) is not a Recourse Guarantee, the related Recourse Obligation is described by the Payment Obligation Category and satisfies the Not Subordinated and Not Contingent Obligation Characteristics on the relevant date or (b) if the related Recourse Obligation (if any) is a Recourse Guarantee, (i) the Underlying Recourse Obligation is described by the Payment Obligation Category and satisfies the Not Subordinated and Not Contingent Obligation Characteristics on the relevant date and (ii) the related Recourse Obligation satisfies the Not Subordinated Obligation Characteristic on the relevant date.

(7) **Sukuk Obligations.** "**Sukuk Obligation**" means any trust certificate or other instrument (a "**Sukuk Certificate**") evidencing a beneficial or other ownership interest in assets, rights, benefits or entitlements and which may be issued by the Reference Entity or another entity (in either case, the "**Sukuk Issuer**") where if the Reference Entity is not the Sukuk Issuer, the Sukuk Issuer (or any agent, delegate or trustee acting on its behalf) has recourse to the Reference Entity and/or to assets over which the Reference Entity has granted security in favour of the Sukuk Issuer (or any agent, delegate or trustee acting on its behalf) in order to fund payment obligations of the Sukuk Issuer under the Sukuk Certificates (whether such recourse is pursuant to (a) an obligation of the Reference Entity to purchase assets owned by the Sukuk Issuer or (b) any other obligation of the Reference Entity, including as provider of any Recourse Guarantee (each such obligation, a "**Recourse Obligation**")).

For the purposes of the foregoing, "**Recourse Guarantee**" means an arrangement evidenced by a written instrument pursuant to which the Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the "**Underlying Recourse Obligation**") for which another party is the obligor (the "**Underlying Recourse Obligor**"). Recourse Guarantees shall exclude any arrangement (a) structured as 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 dis-

charged, 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).

- (8) The definition of "Potential Failure to Pay" in § 6(10) above shall be deleted in its entirety and replaced with the following:

**"Potential Failure to Pay"** means (a) in relation to any Obligations other than Sukuk Obligations, the failure by a Reference Entity to make, when and where due, any payments under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure and/or (b) in relation to any Obligations that are Sukuk Obligations, the failure by the Reference Entity or the Sukuk Issuer to make, when and where due any payments or Expected Payments under one or more Sukuk Obligations or any payments under one or more related Recourse Obligations, as applicable, in accordance with the terms of such Sukuk Obligations or Recourse Obligations, as applicable, at the time of such failure, where the aggregate amount of such failures under sub-clause (a) and sub clause (b) (aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation)) is not less than the Payment Requirement, in each case without regard to any grace period or conditions precedent to the commencement of any grace period applicable to such Obligations."

- (9) The definition of "Failure to Pay" in § 6(10) above shall be deleted in its entirety and replaced with the following:

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period) (a) in relation to any Obligations other than Sukuk Obligations, the failure by a Reference Entity to make, when and where due, any payments under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure and/or (b) in relation to any Obligations that are Sukuk Obligations, the failure by the Reference Entity or the Sukuk Issuer to make, when and where due, any payments or Expected Payments under one or more Sukuk Obligations or any payments under one or more related Recourse Obligations, as applicable, in accordance with the terms of such Sukuk Obligations or Recourse Obligations, as applicable, at the time of such failure, where the aggregate amount of such failures under sub-clause (a) and sub-clause (b) (aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation)) is not less than the Payment Requirement."

- (10) **"Expected Payments"** means, in relation to any Sukuk Obligations and with respect to any day, the amount of any payment or distribution expected to be made on such day in accordance with the initial schedule of payments as specified in the terms of such Sukuk Obligation or the offering circular relating to such Sukuk Obligation, determined without regard to the effect of any provisions of such Sukuk Obligation that permit the expected payments or distributions to be reduced, extinguished, postponed or withheld or for recourse in respect of such Sukuk Obligation to be limited (or any similar provisions, howsoever described).

- (11) The definition of "Due and Payable Amount" in § 6(10) above shall be deleted in its entirety and replaced with the following:

**"Due and Payable Amount"** means (a) in relation to any Deliverable Obligations other than Sukuk Obligations, 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) and (b) in relation to any Deliverable Obligations that are Sukuk Obligations, the amount that is due and payable or expected to be due and payable, determined without regard to the effect of any provisions of such Deliverable Obligation that permit expected amounts payable to be reduced, extinguished, postponed or withheld or for recourse in respect of

such Deliverable Obligation to be limited (or any similar provisions, howsoever described), 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).".

- (12) References to "Reference Entity" in § 6(1) above, the first paragraph of the definition of "Restructuring" in § 6(10) above and in the definitions of "Auction Final Price", "Conditions to Settlement", "Credit Event Notice", "Credit Event Resolution Request Date", "Subordination", "Publicly Available Information", "Public Source", "Credit Event", "Bankruptcy", "Obligation Acceleration", "Obligation Default", "Repudiation/Moratorium", "Governmental Authority" and "Deliver" in § 6(10) above shall be deemed to include a Sukuk Issuer.
- (13) In respect of Securities for which "Sukuk Sovereign" or "Standard Sukuk Sovereign" is the Transaction Type and in relation to which the Sukuk Issuer is not the Reference Entity, notwithstanding anything to the contrary in these Terms and Conditions or the applicable Final Terms, "Bankruptcy" shall be deemed to have been specified as a Credit Event in the applicable Final Terms and any references to "Reference Entity" in the definition thereof shall be deleted and replaced with "Sukuk Issuer".
- (14) References to "Obligation" in § 6(5) above and in the definitions of "Conditions to Settlement", "Credit Event Notice", "Grace Period", "Grace Period Business Day", "Credit Event Resolution Request Date", "Publicly Available Information", "Credit Event", "Obligation Acceleration", "Obligation Default", "Repudiation/Moratorium", "Restructuring" and "Obligation Currency" in § 6(10) above shall be deemed to include a Recourse Obligation that relates to any Obligation that is a Sukuk Obligation (if any).
- (15) References to "interest" in paragraphs (i), (iii), (v) and (a) of the definition of "Restructuring" in § 6(10) above, in paragraph (b) of the definition of "Quotation" in § 6(10) above and in the definitions of "Asset Amount", "Accreted Amount" and "Accreting Obligation" in § 6(10) above and in paragraph (c) of the definition of "Quotation" in § 6(8) above shall be deemed to include distributions, profit or other similar amounts of an income nature or expected distributions, profit or other similar amounts of an income nature.
- (16) Reference to "Bond" in the definition of "succeed" in § 6(10) above, in paragraph (2) of paragraph (B) (*Interpretation of Provisions*) of the definition of "Deliverable Obligation" in § 6(10) above and in the definition of "Repudiation/Moratorium" in § 6(10) above shall be deemed to include a Sukuk Obligation.
- (17) If the Reference Obligation is a Sukuk Obligation, the reference to "the Reference Obligation" in sub-paragraph (c) of the last paragraph of the definition of "Successor" in § 6(10) above shall be deemed to be a reference to the related Recourse Obligation.
- (18) The definition of "succeed" in § 6(10) above shall be amended such that the words "or (iii) enters into Replacement Recourse Obligations in relation to Replacement Sukuk Obligations that are exchanged for Sukuk Obligations" shall be added after the words "(or, as applicable, obligations)" in line five of such definition. For the purpose of the foregoing:
- (a) **"Replacement Sukuk Obligation"** means, in relation to an entity, any trust certificate or other instrument (a **"Replacement Sukuk Certificate"**) evidencing a beneficial or other ownership interest in assets, rights, benefits or entitlements and which may be issued by such entity or another entity (in either case, the **"Replacement Sukuk Issuer"**) where if such entity is not the Replacement Sukuk Issuer, the Replacement Sukuk Issuer (or any agent, delegate or trustee acting on its behalf) has recourse to such entity and/or to assets over which such entity has granted security in favour of the Replacement Sukuk Issuer (or any agent, delegate or trustee acting on its behalf) in order to fund payment obligations of the Replacement Sukuk Issuer under the Replacement Sukuk Certificates

(whether such recourse is pursuant to (i) an obligation of such entity to purchase assets owned by the Replacement Sukuk Issuer or (ii) any other obligation of such entity, including as provider of any Replacement Recourse Guarantee (each such obligation, a "**Replacement Recourse Obligation**")); and

- (b) "**Replacement Recourse Guarantee**" means an arrangement evidenced by a written instrument pursuant to which an entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation for which another party is the obligor. Replacement Recourse Guarantee 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 relevant 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).
- (19) The definition of "Relevant Obligation" in § 6(10) above shall be amended such that the words "or Recourse Obligations" shall be added immediately after the words "of the Reference Entity" in line two of such definition.
- (20) The definition of "Deliverable Obligation" in § 6(10) above shall be amended such that (a) the words "or in respect of an Obligation that is a Sukuk Obligation where the Reference Entity is a Sovereign Reference Entity and is not the Sukuk Issuer" shall be added immediately after the words "to a Sovereign Reference Entity" in line two of paragraph (c) of such definition and (b) the words ", Sukuk Issuer" shall be added immediately after the words "of a Reference Entity" in line seven of paragraph (c) of such definition.
- (21) The definition of "Sovereign Restructured Deliverable Obligation" in § 6(10) above shall be amended such that the words "or if the Reference Entity is a Sovereign Reference Entity and is not the Sukuk Issuer, an Obligation that is a Sukuk Obligation" shall be added immediately after the words "of a Sovereign Reference Entity" in line two of such definition.
- (22) The definition of "Not Subordinated" in § 6(10) above shall be deleted in its entirety and replaced with the following:

"(1) (a) "**Not Subordinated**" means an obligation that is not Subordinated to (I) the most senior Reference Obligation in priority of payment that is an obligation of the Reference Entity or (II) if no Reference Obligation is an obligation of the Reference Entity but one or more Reference Obligations are Sukuk Obligations, (1) where such obligation is a Sukuk Obligation, the most senior Reference Obligation in priority of payment that is an obligation of such Sukuk Issuer and (2) where such obligation is a Recourse Obligation, the most senior Recourse Obligation in priority of payment relating to a Reference Obligation or (III) if no Reference Obligation is specified in the applicable Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity or, if there are no such obligations, (1) where such obligation is a Sukuk Obligation, any unsubordinated Borrowed Money obligation of the Sukuk Issuer and (2) where such obligation is a Recourse Obligation, any unsubordinated Recourse Obligation of the Reference Entity; provided that, if any of the events set forth under paragraph (a) of the definition of "Substitute Reference Obligation" in § 6(10) above has occurred with respect to all of the Reference Obligations or if the last paragraph of the definition of "Successor" in § 6(10) above is applicable with respect to 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 or if such Prior Reference Obligation is a Sukuk Obligation, (1) where such obligation is a Sukuk Obligation, the most senior such Prior Reference Obligation in priority of payment and (2) where such obligation is a Recourse Obligation, the most senior Recourse

Obligation in priority of payment relating to a Reference Obligation. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority payment of each Reference Obligation, each Prior Reference Obligation or each Recourse Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation, Prior Reference Obligation or Recourse Obligation, as applicable, was issued, incurred or entered into, and shall not reflect any change to such ranking in priority or payment after such date."

- (23) The definition of "Substitute Reference Obligation" in § 6(10) above shall be amended such that (a) the words "or a Sukuk Obligation" shall be added immediately after the words "any Qualifying Guarantee)" in line three of paragraph one of such definition, (b) the words "or, where the Sukuk Issuer is not the Reference Entity, a Sukuk Obligation in respect of which the Sukuk Issuer no longer has recourse the Reference Entity" shall be added immediately after the words "of a Reference Entity" in lines nine and ten of subparagraph (a)(ii) of such definition and (c) subparagraph (b) of such definition shall be deleted in its entirety and replaced with the following:
- "(b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date) or where such Substitute Reference Obligation is a Sukuk Obligation in respect of which the Sukuk Issuer is not the Reference Entity the related Recourse Obligation shall rank *pari passu* in priority of payment with the ranking in priority of payment of the Reference Obligation relating to each of the Substitute Reference Obligation and the Reference Obligation (with the ranking in priority of payment of such Recourse Obligation being determined as of the date on which such Recourse Obligation was issued, incurred or entered into 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 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 applicable Final Terms, as provider of a Qualifying Guarantee) or an obligation of an entity that provides for recourse by such entity to the relevant Reference Entity. The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations."
- (24) Reference to "trustee" in the definition of "Publicly Available Information" in § 6(10) above shall be deemed to include delegate.
- (25) The definition of "Obligation Acceleration" in § 6(10) above shall be amended such that the words "(aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation))" shall be added immediately after the words "aggregate amount" in line one of such definition.
- (26) The definition of "Obligation Default" in § 6(10) above shall be amended such that the words "(aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation))" shall be added immediately after the words "aggregate amount" in line one of such definition.
- (27) The definition of "Repudiation/Moratorium" in § 6(10) above shall be amended such that the words "(aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect

of such Sukuk Obligation or related Recourse Obligation))" shall be added immediately after the words "aggregate amount" in lines four and seven of such definition.

- (28) The definition of "Repudiation/Moratorium Extension Condition" in § 6(10) above shall be amended such that the words "of the relevant Reference Entity" shall be deleted wherever such words appear after the word "Obligation" in such definition.
- (29) The definition of "Restructuring" in § 6(10) above shall be amended such that the words "(aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation))" shall be added immediately after the words "aggregate amount" in line two of such definition.
- (30) The definition of "Restructuring" in § 6(10) above shall be amended such that the words "(which expression, in the case of a Recourse Obligation, means all holders of Sukuk Certificate to which such Recourse Obligation is referable)" shall be added after the words "holders of such Obligation" and "holders of the Obligation" wherever such words appear in such definition.
- (31) Reference to "principal" in paragraphs (ii) and (iii) of the definition of "Restructuring" in § 6(10) above shall be deemed to include distributions or expected distributions of any type (other than distributions or profit of an income nature).
- (32) Reference to "maturity" and "scheduled redemption dates" in paragraph (ii) of the definition of Restructuring in § 6(10) above shall be deemed to include any date for the payment of such distributions or on any date of dissolution

(24) *First to Default Securities*

If First to Default Securities is specified as applicable in the applicable Final Terms, the following shall apply:

- (a) Conditions to Settlement may only be satisfied on one occasion and consequently, subject as provided in § 6(11), if applicable, and, if DC Determinations is specified as applicable in the applicable Final Terms, the definition of Conditions to Settlement in § 6(10), a Credit Event Notice may only be delivered on one occasion. If Conditions to Settlement are satisfied in respect of more than one Reference Entity on the same date, the Calculation Agent shall determine in its sole and absolute discretion which Reference Entity is the Reference Entity in respect of which Conditions to Settlement are satisfied. The Final Price or Auction Final Price, as applicable, will be calculated or that published, as applicable, in respect of the Reference Entity in respect of which Conditions to Settlement are satisfied; and
- (b) the following shall be inserted after the paragraph commencing "In the case of (b) above" in the definition of Successor in § 6(10):

"Notwithstanding the provisions above and sub-paragraph (b) of the definition of Reference Entity, where one or more Reference Entities (each an "**Affected Reference Entity**") and/or the Issuer would, but for this provision, be identified as a Successor pursuant thereto and at least one other entity which is not a Reference Entity or the Issuer is also identified as a Successor in respect of the relevant Succession Event, each Affected Reference Entity and/or the Issuer, as applicable, shall not be regarded as a "Successor" for the purposes of the Securities. Where pursuant to the provisions above or sub-paragraph (b) of the definition of Reference Entity one or more Reference Entities (each an "**Affected Reference Entity**") and/or the Issuer would, but for this provision, be identified as a Successor pursuant thereto but no other entities which are not Reference Entities or the Issuer are identified as a Successor in respect of the relevant Succession Event, each Affected Reference Entity and/or the Issuer, as applicable, shall not be regarded as a "Successor" for the purposes of the Securities and if "Alternative Reference Entity" is specified

as applicable in the applicable Final Terms, in respect of each Affected Reference Entity or the Issuer, as applicable, the Calculation Agent shall use reasonable endeavours to (a) select an Alternative Reference Entity to be the Successor in respect of the relevant Succession Event and (b) select an Alternative Reference Obligation to be the Reference Obligation in respect of such Alternative Reference Entity after the relevant Succession Event. If “Alternative Reference Entity” is specified as not applicable in the applicable Final Terms or the Calculation Agent is unable to select an Alternative Reference Entity or an Alternative Reference Obligation as aforesaid, no Successor shall be appointed, the Reference Entity to which the relevant Succession Event relates shall be deemed to have ceased to be a Reference Entity and that portion of the interest payable or, if the Securities are Zero Coupon Securities or Non-Interest Bearing Securities, the portion of the Redemption Amount which is referable to the purchase of credit protection purchased by the Issuer under the Securities shall be reduced accordingly as determined by the Calculation Agent in its sole and absolute discretion, in each case with effect from the date determined by the Calculation Agent to be the date on which the relevant Succession Event was effective.

Where:

“**Alternative Reference Entity**” means an entity which satisfies both the Industry Requirement and the Spread Requirement as determined by the Calculation Agent in its sole and absolute discretion;

“**Alternative Reference Obligation**” means any obligation of the Alternative Reference Entity selected by the Calculation Agent in its sole and absolute discretion which, as far as practicable, in the determination of the Calculation Agent is substantially similar in economic terms to the relevant Reference Obligation of the Reference Entity to which the Succession Event relates;

“**Industry Requirement**” means an entity that is in the same industry group specified by Moody’s Investor Service, Inc. or any successor to the rating business thereof or Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof as the Reference Entity to which the relevant Succession Event relates, as determined by the Calculation Agent in its sole and absolute discretion;

“**Spread**” means the bid-side quotation obtained by the Calculation Agent from such leading dealer in the credit default swap market selected by the Calculation Agent in its sole and absolute discretion for a credit default swap in respect of the relevant entity with a credit protection period commencing on the date determined by the Calculation Agent to be the date of the relevant Succession Event and ending on the Scheduled Maturity Date and with the Reference Obligation(s) specified in the applicable Final Terms; and

“**Spread Requirement**” means an entity that, as at the date of selection, has a Spread not greater than the product of (a) the Spread Requirement Percentage specified in the applicable Final Terms and (b) the Spread of the Reference Entity to which the relevant Succession Event relates, immediately prior to the relevant Succession Event as determined by the Calculation Agent in its sole and absolute discretion.”.

(25) *EM Pass-Through Securities*

If EM Pass-Through Securities is specified as applicable in the applicable Final Terms, the following shall apply:

(a) *Redemption pursuant to § 5(1)*

Subject as provided in paragraph (g) below, the Redemption Amount in respect of each principal amount of Securities equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any

such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent equal to such Securities' *pro rata* share of the Converted Face Realisation Amount.

The amount (if any) of the Redemption Amount which is above the Issue Price is payable (x) as consideration for the use of the Issue Price by the Issuer, (y) as compensation for and in recognition that in certain circumstances no Interest Amount may be payable and (z) as compensation for and in recognition that in certain circumstances the aggregate amounts payable on redemption of the Securities may be less than the Issue Price and in certain circumstances may be zero.

- (b) *Redemption pursuant to § 5 [in the case of Option I the following applies: [(6)]] [in the case of Option II and Option V the following applies: [(7)]] or § [in the case of Option I and Option II the following applies: [9]][in the case of Option V the following applies:[12]]*

Subject as provided in paragraph (g) below, the Early Redemption Amount in respect of each principal amount of Securities equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent equal to such Securities' *pro rata* share of (a) the Face Amount, converted into the Specified Currency at the Fixing Rate on the relevant Fixing Date less (b) Early Redemption Unwind Costs.

- (c) *Redemption pursuant to § 6(2)*

Subject as provided in paragraph (g) below, the Credit Event Redemption Amount in respect of each principal amount of Securities equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent equal to such Securities' *pro rata* share of (a) the Final Price, converted into the Specified Currency at the Fixing Rate on the relevant Fixing Date less (b) Unwind Costs.

- (d) *Interest*

(i) Notwithstanding the provisions of § 3, each Security bears interest and pays the Interest Amount on the relevant Interest Payment Date (if any), in each case as provided in this § 6(25), and § 3 shall be construed accordingly. In the event of any conflict between this § 6(25) and § 3, this § 6 (25) shall prevail.

(ii) § 5[(6)]/[(7)] shall be amended by the deletion of the words "together (if applicable) with interest accrued to (but excluding) the date of redemption" therein.

(iii) § [9]/[12] shall be amended by the deletion of the words "together with interest accrued to the date of repayment" therein.

(iv) In the event that the Securities are redeemed pursuant to § 5[(6)]/[(7)], § 6(2) or § [9]/[12], no interest will be payable in respect of which the relevant Interest Payment Date has not occurred on or prior to the date fixed for such redemption, Provided That if the date fixed for such redemption falls prior to the first Interest Payment Date, no interest shall be payable in respect of the Securities.

(v) if:

(x) § 6(4) or § 6(5) applies in respect of the Securities and, in the case of § 6(4), a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of § 6(5) a Failure to Pay has not



occurred on or prior to the Grace Period Extension Date, as the case may be; and/or

- (y) § 6(6) applies in respect of the Securities and the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, is postponed as provided therein,

then interest will payable as provided in § 6(4), § 6(5) or § 6(6), as the case may be.

(e) *Adjustments on Cancellation*

The terms of the Securities are stated on the basis of the Aggregate Principal Amount of the Series. Where pursuant to § [in the case of Option I and Option II the following applies: [11(2)]] [in the case of Option V the following applies: [14(2)]] some but not all of the Securities are cancelled, the Calculation Agent may adjust such of these Terms and Conditions and/or the applicable Final Terms, as it determines to be appropriate acting in good faith and in a commercially reasonable manner, to preserve for the Securityholders the economic equivalent of the payment obligations of the Issuer in respect of the Securities after the cancellation of such Securities.

Upon the Calculation Agent making such adjustment(s), the Issuer shall give notice as soon as practicable to the Securityholders in accordance with § [12]/[15] stating the relevant adjustments.

(f) *The Holding*

The Securities are linked to a holding (the "**Holding**") of Reference Obligations that as of the Issue Date of the first Tranche of the Securities had a face amount equal to the Face Amount.

(g) *Inconvertibility Event and Non-Transferability Event*

Subject to the following paragraph, if on any date on which a Fixing Rate is required to be determined under the Securities the Calculation Agent determines that an Inconvertibility Event has occurred and is subsisting it shall give notice (an "**Inconvertibility Event Notice**") to the Securityholders in accordance with § [12]/[15] and, in lieu of paying the relevant Specified Currency amount to be calculated using such Fixing Rate on the due date for payment thereof, the Issuer shall pay the relevant unconverted amount in the Domestic Currency (each a "**Domestic Currency Amount**") two Business Days after receipt by the Calculation Agent of the relevant Domestic Currency Amount Notice. In order to receive a Domestic Currency Amount, each Securityholder must deliver to the Calculation Agent in accordance with paragraph (h) below a notice (a "**Domestic Currency Amount Notice**") specifying details of an account into which, in the determination of the Calculation Agent, the relevant Domestic Currency Amount may be paid.

In the event that the Calculation Agent determines that it is unlawful, impossible or otherwise impracticable to make payment of any Domestic Currency Amount (other than as a result of the failure to deliver a Domestic Currency Amount Notice) on the due date for payment thereof (a "**Non-Transferability Event**"), the Issuer shall notify the Securityholders in accordance with § [12]/[15] that such due date for payment has been postponed until the first date on which in the opinion of the Calculation Agent the relevant Non-Transferability Event is no longer subsisting and the Issuer shall pay an additional interest equal to the interest (if any) earned by the Issuer on the deposit of the relevant Domestic Currency Amount in the period from (and including) the originally scheduled due date for payment to (but excluding) such postponed date of payment.

(h) *Calculation Agent*

§ 6(15) (*Calculation Agent*) shall not apply.

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 the Securities shall (in the absence of manifest error) be final and binding on the Issuer and the Securityholders. 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 Securities, the Calculation Agent shall act in good faith and in a commercially reasonable manner. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Securities 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 neither the Calculation Agent nor 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.

Any Domestic Currency Amount Notice from a Securityholder to the Calculation Agent will be validly given if delivered in writing to the Calculation Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, attention Treasury Desk London. Any such notice shall be deemed to have been given on the day when delivered or if delivered after 5.00 p.m. (London time) on any day or on any day on which commercial banks were not open for business in London, the first day thereafter on which commercial banks are open for business in London. The relevant Securityholder must provide satisfactory evidence to the Calculation Agent of its holding of the relevant Securities.

(i) *Interpretation and Definitions*

In the event of any inconsistency between this §6(25) and any other provision of §6, the provisions of this §6(25) will prevail.

**"Business Day"** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York City, Singapore and each Additional Credit Business Centre (if any) specified in the applicable Final Terms.

**"Converted Face Realisation Amount"** means the Face Realisation Amount, converted into the Specified Currency at the Fixing Rate on the relevant Fixing Date.

**"Distribution Amount"** means in respect of a Distribution Date, the amount of interest and/or coupon amount, as applicable, which would be received by a Holding Party in respect of the Holding on such Distribution Date, as determined by the Calculation Agent and for the avoidance of doubt as would be reduced by deductions for withholding taxes as applicable.

**"Distribution Date"** means each date on which any amount comprising interest and/or coupon amount (howsoever described) would be received by a Holding Party in respect of the Holding in the period from (and including) the Issue Date of the first Tranche of the Securities to (and including) the Maturity Date or, if earlier, the Credit Event Determination Date, as determined by the Calculation Agent.

**"Domestic Currency"** means the currency in which the Aggregate Principal Amount is denominated.

**"Early Redemption Date"** means, in respect of a redemption pursuant to § 5[(6)]/[(7)] or § [9]/[12], the date fixed for such redemption.

**"Early Redemption Unwind Costs"** means an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including, without limitation, loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Securities

and the related termination, settlement or re-establishment of any hedge or related trading position.

**"Face Amount"** means an amount in the Domestic Currency calculated by the Calculation Agent equal to the Aggregate Principal Amount of the Series.

**"Face Realisation Amount"** means an amount in the Domestic Currency equal to the amount (excluding any interest and/or coupon amount (howsoever described)) which would be received by a Holding Party in respect of the Holding on the final redemption of the Holding at maturity, as determined by the Calculation Agent and for the avoidance of doubt as would be reduced by deductions for withholding taxes as applicable.

**"Final Price"** means an amount in the Domestic Currency calculated by the Calculation Agent equal to the highest firm bid price obtained by the Calculation Agent from the Reference Dealers for the delivery onshore of the Holding on the Valuation Date, Provided That if no firm bid price is obtained, the Final Price shall be calculated by the Calculation Agent and may in certain circumstances be zero.

The Calculation Agent shall attempt to obtain firm bid prices as aforesaid from four Reference Dealers.

**"Fixing Date"** means:

- (a) in respect of a redemption pursuant to § 5(1), the second Business Day immediately preceding the Maturity Date;
- (b) in respect of a redemption pursuant to § 5[(6)]/[(7)] or § [9]/[12], the relevant Early Redemption Date or, if such date is not a Business Day, the immediately preceding Business Day;
- (c) in respect of a redemption pursuant to § 6(2), the second Business Day immediately succeeding the Valuation Date; or
- (d) for the purposes of calculating an Interest Amount, the second Business Day immediately preceding the relevant Interest Payment Date.

**"Fixing Rate"** means, in respect of a Fixing Date, the rate of exchange, expressed as the amount of the Domestic Currency for which one unit of the Specified Currency may be exchanged, prevailing at the Fixing Rate Time on such Fixing Date, as determined by the Calculation Agent by reference to the FX Price Source, or if no FX Price Source is specified in the applicable Final Terms or such rate does not so appear on the FX Price Source, as determined by the Calculation Agent.

**"Fixing Rate Time"** is as specified in the applicable Final Terms.

**"FX Price Source"** is as specified in the applicable Final Terms.

**"Hard Currency"** means any of the lawful currencies of Canada, Japan, the United Kingdom and the United States of America and the Euro (and any successor currency to any such currency).

**"Holding Party"** means a hypothetical broker/dealer which is deemed to be (as determined by the Calculation Agent in the context of the relevant situation) domiciled and subject to taxation, securities law and regulations in Germany and/or any jurisdiction where Deutsche Bank, AG and/or any of its Affiliates would, in the determination of the Calculation Agent, be able to hold the Holding and which is deemed to notionally hold the Holding throughout the life of the Securities.

**"Inconvertibility Event"** means any action, event or circumstance whatsoever which from a legal or practical perspective during the term of the Securities:

- (a) in the determination of the Calculation Agent would, or would be likely to have, the direct or indirect effect of hindering, limiting, restricting or increasing the cost of the conversion of Domestic Currency into any Hard Currency or any Hard Currency into Domestic Currency, or the transfer of any Hard Currency from the Reference Entity to any other country (including, without limitation, by way of any delay, increased costs, taxes, discriminatory rates of exchange or current or future restrictions on repatriation of Domestic Currency into any Hard Currency); and/or
- (b) results in the unavailability of any Hard Currency in the interbank foreign exchange market located in the Reference Entity in accordance with normal commercial practice.

**"Interest Amount"** means, in respect of each principal amount of Securities equal to the Calculation Amount and an Interest Payment Date and subject as provided in paragraph (g) above, an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent equal to such Securities' *pro rata* share of the Distribution Amount(s) in respect of the Distribution Date(s) related to such Interest Payment Date, converted into the Specified Currency at the Fixing Rate on the relevant Fixing Date.

**"Interest Payment Date"** means:

- (a) in respect of each Distribution Date falling in the period from (and including) the Issue Date of the first Tranche of the Securities to (and including) the second Business Day immediately preceding the earlier of the Maturity Date, the Early Redemption Date or the Credit Event Determination Date, as applicable, the day falling two Business Days following such Distribution Date; and
- (b) in respect of each Distribution Date falling after the second Business Day immediately preceding the earlier of the Maturity Date, the Early Redemption Date or the Credit Event Determination Date, as applicable, the Maturity Date, the Early Redemption Date, or the Credit Event Determination Date.

**"Reference Dealer"** means a leading dealer, bank or banking corporation which deals in obligations of the type of the Reference Obligation, as selected by the Calculation Agent.

**"Reference Entity"** means the entity or entities specified as such in the applicable Final Terms. Any Successor to a Reference Entity identified pursuant to the definition of "Successor" below shall be the Reference Entity for the purposes of the relevant Series.

**"Successor"** means any direct or indirect successor(s) to the Reference Entity provided that such successor(s) assume(s) the Reference Obligations.

**"Unwind Costs"** means an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including, without limitation, loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position.

**"Valuation Date"** means a date falling no more than 120 Business Days following the Credit Event Determination Date, as selected by the Calculation Agent.

(26) *Zero Recovery Portfolio Securities*

If Zero Recovery Portfolio Securities is specified as applicable in the applicable Final Terms, the following shall apply:

(a) *Redemption pursuant to § 5(1)*

The Redemption Amount in respect of each principal amount of Securities equal to the Calculation Amount shall be an amount in the Specified Currency equal to the Outstanding Principal Amount as of the Maturity Date.

For the avoidance of doubt, if the Outstanding Principal Amount as of the Maturity Date is zero, no amounts will be payable on the Maturity Date.

(b) *Redemption pursuant to §5[in the case of Option I the following applies: [(6)]] [in the case of Option II and Option V the following applies: [(7)]]], §6(9) or §[in the case of Option I and Option II the following applies: [9]] [in the case of Option V the following applies: [12]]*

The Early Redemption Amount in respect of each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and which shall not be less than zero) calculated by the Calculation Agent in its sole and absolute discretion equal to the Outstanding Principal Amount as of the due date for redemption less Early Redemption Unwind Costs.

(c) *Outstanding Principal Amount Reduction*

§ 6(1) (*Auction Settlement*) shall be deleted in its entirety and replaced with the following:

"(1) *Outstanding Principal Amount Reduction*

If Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the "**Credit Event Determination Date**"), the Calculation Agent will reduce the Outstanding Principal Amount by an amount equal to the sum of the Credit Event Reduction Amounts (as defined in § 6(25) below) in respect of each Reference Entity with respect to which Conditions to Settlement are satisfied on such Credit Event Determination Date, provided that if the relevant Conditions to Settlement are subsequently deemed not to have been satisfied in accordance with the definition thereof in § 6(10), the Credit Event Determination Date previously determined shall be deemed not to have occurred and the reduction of the Outstanding Principal Amount shall be reversed and the Securities shall continue in accordance with their terms as if the relevant Conditions to Settlement had not been satisfied, subject to such adjustments as the Calculation Agent determines appropriate in its sole and absolute discretion to reflect the retrospective effect of this provision (including, without limitation, adjusting the amount due and/or the due date for payment of any amount payable under the Securities).

As soon as practicable after a Credit Event Determination Date the Issuer will notify the Securityholders of the occurrence of a Credit Event in accordance with § [12]/[15]. The Issuer will also give notice to the Securityholders in accordance with § [12]/[15] if the relevant Conditions to Settlement are deemed not to have been satisfied as soon as practicable thereafter.

If on the relevant Credit Event Determination Date the Outstanding Principal Amount is equal to zero, the Issuer's obligations in respect of the Securities will be immediately discharged and the Issuer will have no further liability in respect thereof. The Issuer will notify the Securityholders of this as soon as practicable thereafter in accordance with § [12]/[15].

For the avoidance of doubt any failure by the Issuer to provide a notice pursuant to this § 6(1) will not constitute an Event of Default under the Securities and will not affect the validity of any of the above provisions.

***If Conditions to Settlement are satisfied the Securities will not be redeemed on the Credit Event Redemption Date by payment of the Credit Event Redemption Amount and instead the Outstanding Principal Amount will be reduced in accordance with this § 6(1), proportionately to the weighting of the relevant Reference Entity in the portfolio, and no amounts will be payable to Securityholders in this respect. In the event that the Outstanding Principal Amount is reduced to zero the Issuer's obligations in respect of the Securities will be discharged and the Issuer will have no further liability in respect thereof."***

(d) *Multiple Conditions to Settlement*

Conditions to Settlement may be satisfied more than once except that, subject as provided in § 6(11) and the definitions of Credit Event Notice and Conditions to Settlement in § 6(10), a Credit Event Notice (if applicable) may only be delivered on one occasion and Conditions to Settlement may be satisfied once only, with respect to any Reference Entity (unless subsequent to the satisfaction of Conditions to Settlement with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case Conditions to Settlement may be satisfied again).

(e) *Accrual of Interest*

In the case of interest-bearing Securities:

- (i) § 5[(6)]/[(7)] shall be amended by the deletion of the words "together (if applicable) with interest accrued to (but excluding) the date of redemption" therein.
- (ii) § [9]/[12] shall be amended by the deletion of the words "together with interest accrued to the date of repayment" therein.
- (iii) In the event that the Securities are redeemed pursuant to § 5[(6)]/[(7)], § 6(9) or § [9]/[12], no interest will be payable in respect of the Securities in respect of which the relevant Interest Payment Date has not occurred on or prior to the date fixed for such redemption, Provided That if the date fixed for such redemption falls prior to the first Interest Payment Date, no interest shall be payable in respect of the Securities.

For the avoidance of doubt, in the event that the Securities are redeemed at a time when the Outstanding Principal Amount is equal to zero, no interest will be payable in respect of the Securities.

(f) *Interpretation and Definitions*

In the event of any inconsistency between this §6(26) and any other provision of §6, the provisions of this §6(26) will prevail.

**"Credit Event Reduction Amount"** means, in respect of a Reference Entity, an amount in the Specified Currency rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent in its sole and absolute discretion equal to the product of (a) the Calculation Amount and (b) the Weighting in respect of such Reference Entity.

**"Interest Amount"** means, in respect of each principal amount of Securities equal to the Calculation Amount and an Interest Period, an amount in the Specified Currency rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent in its sole and absolute discretion equal to the product of (a) the Outstanding Principal Amount as of the last day of such Interest Period (b) the Rate of Interest and (c) the Day Count Fraction in respect of such Interest Period.

**"Interest Payment Date"** means, subject as provided in §3[(3)]/[9], § 6(4), § 6(5) and § 6(6), as applicable, each date specified as such in the applicable Final Terms.

**"Outstanding Principal Amount"** means the Calculation Amount, subject to reduction in accordance with § 6(1).

**"Weighting"** means, with respect to a Reference Entity and subject as provided in the definition of "Successor" above, (a) the Weighting Percentage or, if prior to the satisfaction of Conditions to Settlement with respect to such Reference Entity, such Reference Entity becomes a Successor to another Reference Entity, (b) the product of (i) the Weighting Percentage and (ii) the number of Reference Entities in respect of which such Reference Entity is a Successor.

(g) *Credit Event Notice after Restructuring Credit Event*

§ 6(11) shall be deleted and the following substituted therefor:

“(11) *Credit Event Notice after Restructuring Credit Event*

If § 6(11) is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring Credit Event during the Notice Delivery Period:

- (a) the Calculation Agent may deliver a Credit Event Notice in respect of an amount (the **"Partial Credit Event Reduction Amount"**) that is less than the Credit Event Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring Credit Event immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of § 6 shall be deemed to apply to the Partial Credit Event Reduction Amount only.
- (b) For the avoidance of doubt (i) the Outstanding Principal Amount in respect of each principal amount of Securities equal to the Calculation Amount shall only be reduced by the Partial Credit Event Reduction Amount and interest shall accrue on that Outstanding Principal Amount as provided in herein (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (ii) the previous Credit Event Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring Credit Event shall be reduced by the Partial Credit Event Reduction Amount and § 6 and related provisions shall apply to that reduced Credit Event Reduction Amount in the event that subsequent Credit Event Notices are delivered in respect of that Reference Entity and (iii) once a Credit Event Notice with respect to a Restructuring Credit Event has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring Credit Event.”.

(27) *Recovery Portfolio Securities*

If Recovery Portfolio Securities is specified as applicable in the applicable Final Terms, the following shall apply:

(a) *Redemption pursuant to § 5(1)*

The Redemption Amount in respect of each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount shall be an amount in the Specified Currency equal to the Outstanding Principal Amount as of the Maturity Date.

For the avoidance of doubt, if the Outstanding Principal Amount as of the Maturity Date is zero, no amounts will be payable on the Maturity Date.

(b) *Redemption pursuant to §5[in the case of Option I the following applies: [(6)]] [in the case of Option II and Option V the following applies: [(7)]] , § 6(9) or §[in the case of Option I and Option II the following applies: [9]] [in the case of Option V the following applies: [12]]*

The Early Redemption Amount in respect of each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and which shall not be less than zero) calculated by the Calculation Agent in its sole and absolute discretion equal to the Outstanding Principal Amount as of the due date for redemption less Early Redemption Unwind Costs.

(c) *Auction Settlement*

If Auction Settlement is specified in the applicable Final Terms, Condition § 6(1) (*Auction Settlement*) shall be amended by the deletion of the words "redeem all but not some only of the Securities, each principal amount of Securities equal to the Calculation Amount being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date," therein and the substitution of the following therefor:

":

- (a) if immediately following the relevant Credit Event Determination Date the Outstanding Principal Amount is greater than zero, redeem each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount in part, by payment of the Credit Event Redemption Amount(s) on the Credit Event Redemption Date; or
- (b) if immediately following the relevant Credit Event Determination Date the Outstanding Principal Amount is equal to zero, redeem each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount in whole, by payment of the Credit Event Redemption Amount(s) on the Credit Event Redemption Date,".

(d) *Cash Settlement*

If Cash Settlement is specified in the applicable Final Terms or if § 6(1)(A) applies, § 6(2) (*Cash Settlement*) shall be amended by the deletion of the words "redeem all but not some only of the Securities, each principal amount of Securities equal to the Calculation Amount being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date" therein and the substitution of the following therefor:

":

- (a) if immediately following the relevant Credit Event Determination Date the Outstanding Principal Amount is greater than zero, redeem each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount in part, by



payment of the Credit Event Redemption Amount(s) on the Credit Event Redemption Date; or

- (b) if immediately following the relevant Credit Event Determination Date the Outstanding Principal Amount is equal to zero, redeem each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount in whole, by payment of the Credit Event Redemption Amount(s) on the Credit Event Redemption Date,".

(e) *Credit Event Redemption Amount*

Each Credit Event Redemption Amount (if any) and the related Final Price or Auction Final Price, as applicable, shall be calculated in accordance with § 6(10) (*Applicable Definitions*) or that published, as applicable, in respect of the relevant Reference Entity in respect of which Conditions to Settlement have been satisfied.

(f) *Outstanding Principal Amount Reduction*

If a Credit Event Determination Date occurs the Calculation Agent shall on the relevant Credit Event Determination Date reduce the Outstanding Principal Amount by an amount equal to the sum of the Credit Event Reduction Amounts in respect of each Reference Entity with respect to which Conditions to Settlement are satisfied on such date.

(g) *Multiple Conditions to Settlement*

Conditions to Settlement may be satisfied more than once except that, subject as provided in § 6(11) and the definitions of Credit Event Notice and Conditions to Settlement in § 6(10), a Credit Event Notice (if applicable) may only be delivered on one occasion and Conditions to Settlement may be satisfied once only, with respect to any Reference Entity (unless subsequent to the satisfaction of Conditions to Settlement with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case Conditions to Settlement may be satisfied again).

(h) *Accrual of Interest*

In the case of interest-bearing Securities:

- (i) § 5[(6)]/[(7)] shall be amended by the deletion of the words "together (if applicable) with interest accrued to (but excluding) the date of redemption" therein.
- (ii) § [9]/[12] shall be amended by the deletion of the words "together with interest accrued to the date of repayment" therein.
- (iii) In the event that the Securities are redeemed pursuant to § 5[(6)]/[(7)], § 6(9) or § [9]/[12], no interest will be payable in respect of the Securities in respect of which the relevant Interest Payment Date has not occurred on or prior to the date fixed for such redemption, Provided That if the date fixed for such redemption falls prior to the first Interest Payment Date, no interest shall be payable in respect of the Securities.

For the avoidance of doubt, in the event that the Securities are redeemed at a time when the Outstanding Principal Amount is equal to zero, no interest will be payable in respect of the Securities.

(i) *Interpretation*

Each reference in the Terms and Conditions of the Securities to "each principal amount of Securities equal to the Calculation Amount" shall be deemed to be to "each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount".

In the event of any inconsistency between this §6(27) and any other provision of §6, the provisions of this §6(27) will prevail.

(j) *Definitions*

**"Credit Event Redemption Amount"** means an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

"A" is the Credit Event Reduction Amount in respect of the relevant Reference Entity;

"B" is the Final Price or, if Auction Settlement is specified in the applicable Final Terms and § 6(1)(A) does not apply, the Auction Final Price; and

"C" is (i) if "Unwind Costs" is specified as applicable in the applicable Final Terms, Unwind Costs or (ii) if "Unwind Costs" is specified as not applicable in the applicable Final Terms, zero,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

**"Credit Event Reduction Amount"** means, in respect of a Reference Entity, an amount in the Specified Currency rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent in its sole and absolute discretion equal to the product of (a) the Calculation Amount and (b) the Weighting in respect of such Reference Entity.

**"Interest Amount"** means, in respect of each principal amount of Securities equal to the Calculation Amount and an Interest Period, an amount in the Specified Currency rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent in its sole and absolute discretion equal to the product of (a) the Outstanding Principal Amount as of the last day of such Interest Period (b) the Rate of Interest and (c) the Day Count Fraction in respect of such Interest Period.

**"Interest Payment Date"** means, subject as provided in §3[(3)]/[(9)], § 6(4), § 6(5) and § 6(6), as applicable, each date specified as such in the applicable Final Terms.

**"Outstanding Principal Amount"** means the Calculation Amount, subject to reduction in accordance with paragraph (f) above.

**"Unwind Costs"** means an amount (which may be positive, negative or zero) determined by the Calculation Agent equal to the sum of (without duplication):

- (a) the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer (as applicable zero or expressed as a positive amount); and
- (b) any gains realised by the Issuer (as applicable zero or expressed as a negative amount),

in either case in connection with the redemption of the Securities (whether in whole or in part) and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount.

**“Quotation Amount”** means the Credit Event Reduction Amount in respect of the relevant Reference Entity (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).

**“Valuation Date”** means any Business Day selected by the Calculation Agent in its sole and absolute discretion falling within the period from (but excluding) (a) if Cash Settlement is the applicable Settlement Method, the Credit Event Determination Date or (b) if Cash Settlement is the applicable Fallback Method, (i) if § 6(1)(x) applies, the earlier to occur of the Calculation Agent No Auction Determination Date, the No Auction Announcement Date or the Auction Cut-Off Date or (ii) if § 6(1)(y) applies, the Credit Event Determination Date, in any such case to (and including) the 140th Business Day following such date.

**“Weighting”** means, with respect to a Reference Entity and subject as provided in the definition of “Successor” above, (a) the Weighting Percentage or, if prior to the satisfaction of Conditions to Settlement with respect to such Reference Entity, such Reference Entity becomes a Successor to another Reference Entity, (b) the product of (i) the Weighting Percentage and (ii) the number of Reference Entities in respect of which such Reference Entity is a Successor.

(k) *Credit Event Notice after Restructuring Credit Event*

§ 6(11) shall be deleted and the following substituted therefor:

*“(11) Credit Event Notice after Restructuring Credit Event*

If § 6(11) is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring Credit Event during the Notice Delivery Period:

- (a) the Calculation Agent may deliver a Credit Event Notice in respect of an amount (the **“Partial Credit Event Reduction Amount”**) that is less than the Credit Event Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring Credit Event immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of § 6 shall be deemed to apply to the Partial Credit Event Reduction Amount only.
- (b) For the avoidance of doubt (i) the Outstanding Principal Amount in respect of each principal amount of Securities equal to the Calculation Amount shall only be reduced by the Partial Credit Event Reduction Amount and interest shall accrue on that Outstanding Principal Amount as provided in herein (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (ii) the previous Credit Event Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring Credit Event shall be reduced by the Partial Credit Event Reduction Amount and § 6 and related provisions shall apply to that reduced Credit Event Reduction Amount in the event that subsequent Credit Event Notices are delivered in respect of that Reference Entity and (iii) once a Credit Event Notice with respect to a Restructuring Credit Event has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring Credit Event.”.

(28) *Zero Recovery Single Name Securities*

If Zero Recovery Single Name Securities is specified as applicable in the applicable Final Terms, § 6(1) (*Auction Settlement*) shall be deleted in its entirety and replaced with the following:

*"(1) Cancellation of Credit Linked Securities*

If Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the "**Credit Event Determination Date**"), the Securities will be cancelled forthwith and the Issuer's obligations in respect of the Securities will be immediately discharged and the Issuer will have no further liability in respect thereof.

***If Conditions to Settlement are satisfied and the Securities are cancelled forthwith in accordance with this § 6(1) no amounts will be payable to Securityholders in this respect and the Issuer's obligations in respect of the Securities will be discharged and the Issuer will have no further liability in respect thereof.***

## CREDIT LINKED NOTES ANNEX B

As set out in the Introduction to the Terms and Conditions, the Terms and Conditions as will be completed by the Final Terms (or as amended by the Pricing Supplement, in the case of Exempt Securities) are comprised of five options. This Credit Linked Notes Annex B furthermore amends the Terms and Conditions and may only apply where Option I, Option II or Option V is specified as applicable in the applicable Final Terms.

If “Provisions for Credit Linked Securities” and “Credit Linked Notes Annex B” are specified as applicable in the applicable Final Terms the following provisions shall apply:

- 1. Where the Securities are interest bearing Securities § 3([in the case of Option I the following applies: [3]][in the case of Option II the following applies: [9]] [in the case of Option V the following applies: [for Fixed Rate Securities and Securities with an Interest Switch the following applies: [3]] [for Securities other than Fixed Rate Securities and without an Interest Switch the following applies: [9]]]) of the Terms and Conditions will be deleted and replaced by the following new § 3([3]/[9]):**

*“Accrual of Interest.* Unless EM Pass-Through Securities is specified as applicable in the applicable Final Terms in which case § 3([3]/[9]) shall not apply, each Security shall cease to bear interest from the expiry of the day preceding the day on which it is due for redemption, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. If the Issuer shall fail to redeem each Security when due, interest shall continue to accrue on the outstanding principal amount of such Security or, if Zero Recovery Portfolio Securities or Recovery Portfolio Securities is specified as applicable in the applicable Final Terms, on the Outstanding Principal Amount as of the day preceding the due date for redemption from (and including) the due date for redemption until (but excluding) the earlier of (i) the date on which all amounts due in respect of such Security have been paid and/or all assets deliverable in respect of such Security have been delivered, and (ii) five days after the date on which the full amount of the moneys payable in respect of such Security has been received by the Fiscal Agent and/or all assets in respect of such Security have been received by an agent appointed by the Issuer to deliver such assets to Securityholders and notice to that effect has been given to the Securityholders in accordance with § [in the case of Option I and Option II the following applies: [12]][in the case of Option V the following applies: [15]] at the Rate of Interest applicable in respect of the last occurring Interest Period, provided that:

- (a) (i) if “Accrual of Interest upon Credit Event” is specified as applicable in the applicable Final Terms, each Security shall cease to bear interest from the Credit Event Determination Date; or
    - (ii) if “Accrual of Interest upon Credit Event” is specified as not applicable in the applicable Final Terms, subject as provided in paragraph (b) below and notwithstanding anything to the contrary in the Conditions, no interest will be payable in respect of the Securities in respect of which the relevant Interest Payment Date has not occurred on or prior to the Credit Event Determination Date or, if Zero Recovery Portfolio Securities or Recovery Portfolio Securities is specified as applicable in the applicable Final Terms, the last occurring Credit Event Determination Date, Provided That if the Credit Event Determination Date or, as applicable, last occurring Credit Event Determination Date falls prior to the first Interest Payment Date, no interest shall be payable in respect of the Securities;
  - (b) subject to the provisions of § 6(4), § 6(5) or § 6(6), if DC Determinations is specified in the applicable Final Terms and a Credit Event Resolution Request Date occurs during an Interest Period but a Credit Event Determination Date has not occurred on or prior to the Interest Payment Date in respect of such Interest Period (unless on or prior to such Interest Payment Date (w) a DC No Credit Event Announcement occurs with respect thereto, (x) a DC Credit Event Question Dismissal occurs with respect thereto, (y) the requisite number of Convened DC Voting Members (as defined in the DC Rules) have not agreed to deliberate the issue within the requisite time period or (z) the request the subject of the Credit Event Resolution Request Date has been withdrawn in

accordance with the DC Rules prior to the first meeting at which deliberations are held with respect to such request), no interest will be payable in respect of the Securities on that Interest Payment Date, notwithstanding that a Credit Event Determination Date has not then occurred. If a Credit Event Determination Date has not occurred on or prior to the Interest Payment Date in respect of the next Interest Period, the interest that would otherwise have been payable on the Interest Payment Date for the earlier Interest Period will be payable on the Interest Payment Date for that next Interest Period and interest will continue to be payable as provided herein thereafter. No further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and

(c) if:

- (x) § 6(4) or § 6(5) applies in respect of the Securities and, in the case of § 6(4), a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of § 6(5) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date, as the case may be; and/or
- (y) § 6(6) applies in respect of the Securities and the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, is postponed as provided therein,

then interest will accrue as provided in § 6(4), § 6(5) or § 6(6), as the case may be.

If EM Pass-Through Securities is specified as applicable in the applicable Final Terms, the provisions of § 6(17) below will apply.”

**2. If the Securities are Instalment Securities, § 4(1) of the Terms and Conditions will be amended by the deletion and replacement of the second and third paragraphs thereof by the following new paragraphs:**

Payment of principal other than payments of instalments of principal in respect of Definitive Securities shall be made, subject to paragraph (2), against presentation and (except in the case of partial payment where the Security shall be endorsed) surrender of the relevant Definitive Security to the Fiscal Agent or to any other Paying Agent outside the United States.

*Payment of Instalments of Principal.* Payments of instalments of principal in respect of Definitive Securities shall (subject as provided below) be made, subject to paragraph (2), against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with paragraph (2). Each Receipt must be presented for payment of the relevant instalment together with the Security to which it appertains. Receipts presented without the Security to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Security becomes due and repayable, unmaturing Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

**3. § 4(6) will be deleted and replaced by the following new § 4(6):**

*“References to Principal and Interest.* References in these Conditions to principal in respect of the Securities shall be deemed to include, as applicable: the Redemption Amount; the Credit Event Redemption Amount; the Early Redemption Amount; **[if redeemable at the option of Issuer for other than taxation reasons the following applies: the Call Redemption Amount;] [if redeemable at the option of the Securityholder the following applies: the Put Redemption Amount;] [if the Securities are subordinated and redemption at the Early Redemption Amount in the case of a regulatory event applies the following applies: the Early Redemption Amount]** and any premium and any other amounts which may be payable under or in respect of the Securities. **[Reference in these Conditions to interest in respect of the Securities shall be deemed to include any Additional Amounts which may be payable under § [in the**

case of Option I and Option II the following applies: [7]] [in the case of Option V the following applies: [10]].]"

4. § 5(1) of the Terms and Conditions will be deleted and replaced by the following new § 5(1):

**“CREDIT LINKED SECURITIES**

- (1) (a) *Redemption at Maturity.* Unless previously redeemed or purchased and cancelled in accordance with these Conditions and subject as provided in § 6(1), § 6(2) and § 6(3) each principal amount of Securities equal to the Calculation Amount set out in the applicable Final Terms will be redeemed on the Maturity Date by payment of the Redemption Amount.
- (b) *Redemption in Instalments.* Where Redemption in Instalments is specified as applicable in the applicable Final Terms, unless previously redeemed or purchased and cancelled in accordance with these Conditions and subject as provided in § 6(1), § 6(2) and § 6(3) each principal amount of Securities equal to the Calculation Amount set out in the applicable Final Terms will be redeemed on the Instalment Dates at the Instalment Amounts set out in the applicable Final Terms.”

5. [In the case of Option I and Option II the following applies: The following will be inserted as a new § 6 and the subsequent Conditions (including the original § 6) will be re-numbered accordingly][In the case of Option V the following applies: § 6 will be deleted and replaced by the following new § 6]:

**“PROVISIONS FOR CREDIT LINKED SECURITIES**

**Interpretation**

Any references herein to an Auction, Convened DC Voting Members, Credit Derivatives Auction Settlement Terms, Credit Derivatives Determinations Committee, DC Resolution, DC Rules, DC Secretary Announcement or Resolution (in each case howsoever described) shall be deemed to be only to that which would be relevant or applicable under or in relation to credit derivatives transactions incorporating the 2014 Definitions.

In the case of Securities for which more than one Reference Entity is specified in the applicable Final Terms, all references to "the Reference Entity" herein shall be construed to refer to the Reference Entity in respect of which of the relevant determination falls to be made at any relevant time and all related provisions and determinations will be construed accordingly.

For the avoidance of doubt no Securities will be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

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

(1) *Auction Settlement.*

If a Credit Event Determination Date occurs and Auction Settlement is specified in the applicable Final Terms, the Issuer shall give notice to the Securityholders in accordance with § [12]/[15] and redeem all but not some only of the Securities, each principal amount of Securities equal to the Calculation Amount being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date, provided that if the relevant Credit Event Determination Date is subsequently deemed not to have

occurred in accordance with the definition thereof in § 6(10), the redemption of the Securities shall be cancelled and the Securities shall continue in accordance with their terms as if the relevant Credit Event Determination Date had not occurred, subject to such adjustments as the Calculation Agent determines appropriate in its sole and absolute discretion to reflect the retrospective effect of this provision (including, without limitation, adjusting the due date for payment of any amount payable under the Securities). The Issuer shall give notice to the Securityholders in accordance with § [12]/[15] that the relevant Credit Event Determination Date is deemed not to have occurred as soon as practicable thereafter.

If:

- (x) unless settlement has occurred in accordance with the paragraph above, a Credit Event Determination Date occurs pursuant to sub-paragraph (a) of the definition thereof and on or prior to the Auction Cut-Off Date:
    - (i) the DC Secretary publicly announces, with respect to a Credit Event, that (a) no Credit Derivatives Auction Settlement Terms will be published in relation to obligations of appropriate seniority of the Reference Entity (b) the relevant Credit Derivatives Determinations Committee has Resolved that no Credit Derivatives Auction Settlement Terms will be published following a prior public announcement by the DC Secretary to the contrary (the date on which the DC Secretary first makes either such announcement, the “**No Auction Announcement Date**”);
    - (ii) no No Auction Announcement Date has occurred but the relevant Credit Derivatives Determinations Committee has not determined that one or more Auctions will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity;
    - (iii) an Auction Cancellation Date occurs; or
    - (iv) the Calculation Agent determines that it is not reasonably likely that an Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity and gives notice of such to the Issuer (the date on which the Calculation Agent gives such notice, the “**Calculation Agent No Auction Determination Date**”); or
  - (y) a Credit Event Determination Date occurs pursuant to sub-paragraph (b) of the definition thereof,
- then:
- (A) if Cash Settlement is specified as the applicable Fallback Settlement Method in the applicable Final Terms, the Issuer shall redeem the Securities in accordance with § 6(2) below; or
  - (B) if Physical Settlement is specified as the applicable Fallback Settlement Method in the applicable Final Terms, the Issuer shall redeem the Securities in accordance with § 6(3) below.

**If a Credit Event Determination Date occurs and the Securities become redeemable in accordance with this § 6(1), upon payment of the Credit Event Redemption Amount in respect of the Securities the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the principal amount of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.**

(2) *Cash Settlement.*

If a Credit Event Determination Date occurs and Cash Settlement is specified in the applicable Final Terms or if § 6(1)(A) above applies, the Issuer shall give notice to the Securityholders in accordance with



§ [12]/[15] and redeem all but not some only of the Securities, each principal amount of Securities equal to the Calculation Amount being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date, provided that if the relevant Credit Event Determination Date is subsequently deemed not to have occurred in accordance with the definition thereof in § 6(10), the redemption of the Securities shall be cancelled and the Securities shall continue in accordance with their terms as if the relevant Credit Event Determination Event had not occurred, subject to such adjustments as the Calculation Agent determines appropriate in its sole and absolute discretion to reflect the retrospective effect of this provision (including, without limitation, adjusting the due date for payment of any amount payable under the Securities). The Issuer shall give notice to the Securityholders in accordance with § [12]/[15] that the relevant Credit Event Determination Date is deemed not to have occurred as soon as practicable thereafter.

**If a Credit Event Determination Date occurs and the Securities become redeemable in accordance with this § 6(2), upon payment of the Credit Event Redemption Amount in respect of the Securities the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the principal amount of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.**

(3) *Physical Settlement.*

(a) If a Credit Event Determination Date occurs and Physical Delivery is specified in the applicable Final Terms or if § 6(1)(B) above applies, the Issuer shall give notice (such notice a "**Notice of Physical Settlement**") to the Securityholders in accordance with § [12]/[15] and redeem all but not some only of the Securities, each principal amount of Securities equal to the Calculation Amount being redeemed by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with § 6(7) and (8), provided that if the relevant Credit Event Determination Date is subsequently deemed not to have occurred in accordance with the definition thereof in § 6(10), the redemption of the Securities shall be cancelled and the Securities shall continue in accordance with their terms as if the relevant Credit Event Determination Date had not occurred, subject to such adjustments as the Calculation Agent determines appropriate in its sole and absolute discretion to reflect the retrospective effect of this provision (including, without limitation, adjusting the due date for payment of any amount payable under the Securities). The Issuer shall give notice to the Securityholders in accordance with § [12]/[15] that the relevant Credit Event Determination Date is deemed not to have occurred as soon as practicable thereafter.

In the Notice of Physical Settlement the Issuer shall specify the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver and the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency (in each case, the "**Outstanding Amount**") and, if different, the face amount, of each such Deliverable Obligation and the aggregate Outstanding Amount of such Deliverable Obligations (the "**Aggregate Outstanding Amount**"). **For the avoidance of doubt, the Calculation Agent shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.**

The Issuer may, from time to time, amend a Notice of Physical Settlement by delivering a notice to Securityholders in accordance §[12]/[15] (each such notification, a "**Physical Settlement Amendment Notice**") that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective). A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer will Deliver (each, a "**Replacement Deliverable Obligation**") and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced (with respect

to each such Deliverable Obligation, the "**Replaced Deliverable Obligation Outstanding Amount**"). The Outstanding Amount of each Replacement Deliverable Obligation identified in a Physical Settlement Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of the Replacement Deliverable Obligation(s) specified in any Physical Settlement Amendment Notice in aggregate with the Outstanding Amount of the Deliverable Obligation(s) specified in the Notice of Physical Settlement or any earlier Physical Settlement Amendment Notice which, in each case, are not being replaced must not be greater than the Aggregate Outstanding Amount. Each such Physical Settlement Amendment Notice must be effective on or prior to the Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice).

Notwithstanding the foregoing, (i) the Issuer may correct any errors or inconsistencies contained in the Physical Settlement Notice or any Physical Settlement Amendment Notice, as applicable, by notice to Securityholders in accordance with §[12]/[15], prior to the relevant Delivery Date and (ii) if Asset Package Delivery is applicable, the Issuer shall on the NOPS Effective Date, or as soon as reasonably practicable thereafter (but in any case, prior to the Delivery Date), notify the Securityholders in accordance with §[12]/[15] of the detailed description of the Asset Package, if any, that the Issuer intends to Deliver in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, it being understood in each case that any such notice shall not constitute a Physical Settlement Amendment Notice.

- (b) If "Mod R" is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice or the subject of the DC Resolution resulting in the occurrence of a Credit Event Determination Date, as applicable, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention a Deliverable Obligation may only be included in the Asset Amount if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date, in each case, as of both the NOPS Effective Date and the Delivery Date.
- (c) If "Mod Mod R" is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice or the subject of the DC Resolution resulting in the occurrence of a Credit Event Determination Date, as applicable, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of both the NOPS Effective Date and the Delivery Date. Notwithstanding the foregoing, for purposes of this paragraph (c), in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.
- (d) For the purposes of making a determination pursuant to paragraphs (b) or (c) above or the definition of Restructuring Maturity Limitation Date, final maturity date shall, subject to paragraph (c), be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.
- (e) Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, as applicable, or if later and the relevant Credit Event Backstop Date was determined pursuant to paragraph (b) thereof, the date that is sixty calendar

days prior to the Notice Delivery Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

**If a Credit Event Determination occurs and the Securities become redeemable in accordance with this § 6(3), upon Delivery of the Deliverable Obligations Deliverable and/or payment of the Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Cash Settlement Amount may be less than the principal amount of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.**

(4) *Repudiation/Moratorium Extension.*

Where Repudiation/Moratorium is specified as a Credit Event in the applicable Final Terms, the provisions of this § 6(4) shall apply.

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if § 6(6)(y) applies, the Postponed Maturity Date (as defined below) and the Repudiation/Moratorium Evaluation Date in respect of the Potential Repudiation Moratorium will in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date or the Postponed Maturity Date, as applicable, then the Calculation Agent shall notify the Securityholders in accordance with § [12]/[15] that a Potential Repudiation/Moratorium has occurred and:

- (i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
  - (A) each principal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Redemption Amount on the second Business Day following the Repudiation/Moratorium Evaluation Date; and
  - (B) in the case of interest bearing Securities, the Issuer shall be obliged to pay (x) interest calculated as provided herein, accruing from (and including) the first day of the Interest Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date or, in the case of EM Pass-Through Securities, in respect of the Interest Payment Date falling on the Maturity Date and (y) additional interest calculated as provided herein on the basis of an additional Interest Period in respect of the Securities commencing on (and including) the Scheduled Maturity Date and ending on (but excluding) the second Business Day following the Repudiation/Moratorium Evaluation Date and determined by applying an overnight deposit rate determined by the Calculation Agent in its sole and absolute discretion from such source(s) as it may select for such day to the Calculation Amount, but shall only be obliged to make such payment of interest on the second Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest or such delay shall be payable; or
- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred the provisions of §6(1), § 6(2) or § 6(3) as applicable shall apply to the Securities.

(5) *Grace Period Extension.*

If "Grace Period Extension" is specified as applicable in the applicable Final Terms, the provisions of this §6(5) shall apply:

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a

Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then:

- (i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
  - (A) each principal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Redemption Amount on the Grace Period Extension Date; and
  - (B) in the case of interest bearing Securities, the Issuer shall be obliged to pay (x) interest calculated as provided herein, accruing from (and including) the first day of the Interest Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date or, in the case of EM Pass-Through Securities, in respect of the Interest Payment Date falling on the Maturity Date and (y) additional interest calculated as provided herein on the basis of an additional Interest Period in respect of the Securities commencing on (and including) the Scheduled Maturity Date and ending on (but excluding) the Grace Period Extension Date and determined by applying an overnight deposit rate determined by the Calculation Agent in its sole and absolute discretion from such source(s) as it may select for such day to the Calculation Amount, but shall only be obliged to make such payments of interest on the Grace Period Extension Date and no further or other amount in respect of interest or such delay shall be payable; or
- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has occurred the provisions of § 6(1), § 6(2) or § 6(3) as applicable shall apply to the Securities.

(6) *Maturity Date Extension.*

If:

- (x) on (A) the Scheduled Maturity Date or, (B) if applicable, the Repudiation/Moratorium Evaluation Date, or (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date, as the case may be, a Credit Event Determination Date has not occurred but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or
- (y) on the Scheduled Maturity Date, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may notify the Securityholders in accordance with § [12]/[15] that the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, has been postponed to a date (such date the "**Postponed Maturity Date**") specified in such notice falling ninety calendar days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, or if such date is not a Business Day, the immediately succeeding Business Day and

where:

- (i) in the case of § 6(6)(x) a Credit Event Determination Date has not occurred on or prior to the Postponed Maturity Date, or, in the case of § 6(6)(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date:
  - (A) subject as provided below each principal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Redemption Amount on the Postponed Maturity Date; and

(B) in the case of interest bearing Securities, the Issuer shall be obliged to pay (x) interest calculated as provided herein accruing from (and including) the first day of the Interest Period ending on (but excluding) the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date or, in the case of EM Pass-Through Securities, in respect of the Interest Payment Date falling on the Maturity Date and (y) additional interest calculated as provided herein on the basis of an additional Interest Period in respect of the Securities commencing on (and including) the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, and ending on (but excluding) the Postponed Maturity Date and determined by applying an overnight deposit rate determined by the Calculation Agent in its sole and absolute discretion from such source(s) as it may select for such day to the Calculation Amount, but shall only be obliged to make such payments of interest on the Postponed Maturity Date and no further or other amount in respect of interest or such delay shall be payable; or

(ii) where:

(A) in the case of § 6(6)(x) a Credit Event Determination Date has occurred on or prior to the Postponed Maturity Date, the provisions of § 6(1), § 6(2) or § 6(3) as applicable shall apply to the Securities; or

(B) in the case of § 6(6)(y) the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date, the provisions of § 6(4) shall apply to the Securities.

(7) *Physical Delivery.*

(i) If any Security is to be redeemed by Delivery of the Deliverable Obligations comprising the Asset Amount, in order to obtain Delivery of the Deliverable Obligations comprising the Asset Amount(s) in respect of any Security:

(A) if such Security is represented by a Global Security, the relevant Securityholder must deliver to the relevant Clearing System, with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice; and

(B) if such Security is in definitive form, the relevant Securityholder must deliver to any Paying Agent with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice (as defined below).

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Security is represented by a Global Security, in such manner as is acceptable to the relevant Clearing System, or (ii) if such Security is in definitive form, in writing or by tested telex.

If the Security is in definitive form, the Security must be delivered together with the duly completed Asset Transfer Notice. An Asset Transfer Notice must:

(1) specify the name and address of the relevant Securityholder, the person from whom the Issuer may obtain details for the Delivery of the Deliverable Obligations comprising the Asset Amount and any details required for Delivery of the Deliverable Obligations comprising the Asset Amount set out in the applicable Final Terms;

(2) in the case of Securities represented by a Global Security, specify the principal amount of Securities which are the subject of such notice and the number of the Securityholder's

account at the relevant Clearing System, to be debited with such Securities and irrevocably instruct and authorise the relevant Clearing System to debit the relevant Securityholder's account with such Securities on or before the Settlement Date;

- (3) include an undertaking to pay all Delivery Expenses and, in the case of Securities represented by a Global Security, an authority to debit a specified account of the Securityholder at the relevant Clearing System in respect thereof and to pay such Delivery Expenses;
- (4) specify an account to which any amounts payable pursuant to § 6(8) or any other cash amounts specified in the applicable Final Terms as being payable are to be paid; and
- (5) 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 relevant Clearing System or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Securityholder may not transfer the Securities which are the subject of such notice.

In the case of Securities represented by a Global Security, upon receipt of such notice, the relevant Clearing System shall verify that the person specified therein as the Securityholder is the holder of the specified principal amount of Securities according to its books.

Failure properly to 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 these Conditions shall be made, in the case of Securities represented by a Global Security, by the relevant Clearing System after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Securityholder and, in the case of Securities in definitive form, by the relevant Paying Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Securityholder.

Delivery of the Deliverable Obligations comprising the Asset Amount in respect of each Security shall be made at the risk of the relevant Securityholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Securityholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms.

If a Securityholder fails to give an Asset Transfer Notice as provided herein on or prior to the Cut-Off Date specified in the applicable Final Terms, the Issuer will, subject as provided above, Deliver the Deliverable Obligations comprising the Asset Amount in respect of the relevant Securities as soon as practicable after the receipt of the duly completed Asset Transfer Notice, provided that if, in respect of a Security, a Securityholder fails to give an Asset Transfer Notice prior to the day falling 180 calendar days after the Cut-Off Date, the Issuer's obligations in respect of such Securities shall be discharged and the Issuer shall have no liability in respect thereof.

- (ii) All Delivery Expenses arising from the Delivery of the Deliverable Obligations comprising the Asset Amounts in respect of such Securities shall be for the account of the relevant Securityholder and no Delivery of the Deliverable Obligations comprising the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Securityholder.

After Delivery of the Deliverable Obligations comprising an Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (x) be under any obligation to deliver or procure delivery to any Securityholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received

by that person in respect of the securities or obligations included in such Asset Amount, (y) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations included in such Asset Amount or (z) be under any liability to a Securityholder in respect of any loss or damage which such Securityholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations included in such Asset Amount.

- (iii) In relation to each Deliverable Obligation constituting an Asset Amount the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on the Settlement Date, provided that if all or some of the Deliverable Obligations included in such Asset Amount are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, on or before the 30th calendar day following the Settlement Date (the “**Final Delivery Date**”), Provided Further That if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of § 6(8) shall apply.

(8) *Partial Cash Settlement.*

If all or a portion of the Undeliverable Obligations or Hedge Disruption Obligations comprising the Asset Amount are not Delivered by the Final Delivery Date, the Issuer shall give notice (a “**Cash Settlement Notice**”) to the Securityholders in accordance with § [12]/[15] and the Issuer shall pay in respect of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, the Cash Settlement Amount on the Cash Settlement Date.

In the Cash Settlement Notice the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligation, as the case may be.

Unless otherwise specified in the applicable Final Terms, for the purposes of this § 6(8) the following terms are deemed to have the following meanings:

“**Cash Settlement Amount**” is deemed to be, for each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Hedge Disruption Obligation, determined as provided in this § 6, less (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount), and (ii) zero, Provided That where (x) a relevant Undeliverable Obligation or Hedge Disruption Obligation forms part of the Asset Package and (y) the Calculation Agent determines in its sole and absolute discretion that a Final Price cannot be reasonably determined in respect of such Undeliverable Obligation or Hedge Disruption Obligation, then the Cash Settlement Amount shall be an amount calculated by the Calculation Agent in its sole and absolute discretion equal to the fair market value of the relevant Undeliverable Obligation or Hedge Disruption Obligation (determined by reference to such source(s) as the Calculation Agent determines appropriate) less Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount) and may be zero.

“**Cash Settlement Date**” is deemed to be the date falling three Business Days after the calculation of the Final Price.

“**Indicative Quotation**” means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer’s reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

**“Market Value”** means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date:

- (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the 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 Quotations 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, subject to sub-paragraph (b) of the definition of “Quotation” below, an amount that the Calculation Agent shall determine on the next Business Day on which two or more 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 on or prior to the fifteenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such fifteenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such fifteenth 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.

**“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 of the Undeliverable Obligation’s or Hedge Disruption Obligation’s, as the case may be, Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

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



tions are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.

- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the fifteenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such fifteenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such fifteenth 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) All Quotations shall be obtained in accordance with the specification or determination made pursuant to § 6(13)(b) below.

**“Quotation Amount”** is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency, which shall be 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 or Hedge Disruption Obligations, as the case may be.

**“Quotation Method”** is deemed to be Bid.

**“Reference Obligation”** is deemed to be each Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

**“Valuation Method”** is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case “Valuation Method” is deemed to be Market.

**“Valuation Time”** is the time specified as such in the applicable Final Terms (or, if no such time is specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be).

**“Weighted Average Quotation”** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.

- (9) *Redemption following a Merger Event.*

If § 6(9) is specified as applicable in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Securityholders in accordance with § [12]/[15] and redeem the Securities at the Early Redemption Amount on the Merger Event Redemption Date.

- (10) *Applicable Definitions.*

The following terms shall have the meanings given to them in the 2014 ISDA Credit Derivatives Definitions (the “**2014 Definitions**”) published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”):

“Auction”;

“Auction Final Price”;

“Credit Derivatives Auction Settlement Terms”;

“Credit Derivatives Determinations Committee”;

“DC Resolution”;

“DC Secretary”;

“Resolved”;

“Resolves”; and

“DC Rules”.

“**Affiliate**” means, in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes “control” means ownership of a majority of the voting power of an entity.

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

“**Asset Amount**” means, in respect of each principal amount of Securities equal to the Calculation Amount, Deliverable Obligations, as selected by the Calculation Agent in its sole and absolute discretion, with:

- (a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance; or
- (b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the Calculation Amount less, if Unwind Costs are specified as applicable in the applicable Final Terms, Deliverable Obligations with a market value determined by the Calculation Agent in its sole and absolute discretion on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to Unwind Costs.

“**Asset Market Value**” means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

“**Asset Package**” means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Pack-

age will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

**“Asset Package Credit Event”** means:

- (a) if “Financial Reference Entity Terms” and “Governmental Intervention” are specified as applicable in the applicable Final Terms:
  - (i) a Governmental Intervention; or
  - (ii) a Restructuring in respect of a Reference Obligation, if “Restructuring” is specified as applicable in the applicable Final Terms and such Restructuring does not constitute a Governmental Intervention; and
- (b) if the Reference Entity is a Sovereign and “Restructuring” is specified as applicable in the applicable Final Terms, a Restructuring,

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

**“Asset Transfer Notice”** means a duly completed asset transfer notice substantially in the form set out in the Agency Agreement.

**“Auction Cancellation Date”** has the meaning given in any Credit Derivatives Auction Settlement Terms published in relation to obligations of appropriate seniority of the Reference Entity and applicable to credit derivatives transactions with a Scheduled Termination Date of the Scheduled Maturity Date.

**“Auction Cut-Off Date”** means the date falling ninety calendar days after (a) the Scheduled Maturity Date or, (b) if § 6(4)(ii) applies, the Repudiation/Moratorium Evaluation Date, or (c) if § 6(5)(ii) applies, the Grace Period Extension Date or, (d) if § 6(6)(ii) applies, the Postponed Maturity Date.

**“Auction Final Price”** means:

- (a) if the relevant Credit Derivatives Determinations Committee determines that an Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity in respect of which the Credit Event Determination Date has occurred, the relevant Auction Final Price determined in accordance with such Auction; or
- (b) if the relevant Credit Derivatives Determinations Committee determines that more than one Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity in respect of which the Credit Event Determination Date has occurred:
  - (i) the Auction Final Price determined in accordance with the Auction applicable to credit derivatives transactions triggered by the credit protection buyer thereunder (“**Buyer Credit Derivatives Transactions**”) with Scheduled Termination Dates of a range within which the Scheduled Maturity Date falls;
  - (ii) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates of a range within which the Scheduled Maturity Date falls, the Auction Final Price determined in accordance with the Auction applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next earliest to the Scheduled Maturity Date;

- (iii) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next earliest to the Scheduled Maturity Date, the Auction Final Price determined in accordance with the Auction applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next following the Scheduled Maturity Date; or
- (iv) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next following the Scheduled Maturity Date, the Auction Final Price determined in accordance with the Auction applicable to credit derivatives transactions triggered by the credit protection seller thereunder.

**“Bankruptcy”** means the Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof or before the Maturity Date, whichever is earlier;
- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter or before the Maturity Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in clauses (a) to (g).

**“Business Day”**:

- (a) has the meaning given to it in § 3 (*Interest*); or
- (b) if not defined in § 3 (*Interest*), means:
  - (i) (x) 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 dealings in foreign exchange and for-

foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or

- (y) if the Specified Currency is euro, a day on which the TARGET2 System is open; and
- (ii) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in each Additional Credit Business Centre (if any) specified in the applicable Final Terms.

**“Conditionally Transferable Obligation”** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case, as of both the NOPS Effective Date and the Delivery Date, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of “Conditionally Transferable Obligation”.

**“Conforming Reference Obligation”** means a Reference Obligation which is a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation.

**“Credit Business Day Convention”** means the convention for adjusting any relevant date pursuant to this §6 if it would otherwise fall on a day that is not a Business Day. If the last day of any period under this §6 calculated by reference to calendar days falls on a day that is not a Business Day, such last day shall be subject to adjustment in accordance with the applicable Credit Business Day Convention (or, if none is specified in the applicable Final Terms, the Following Credit Business Day Convention); provided that if the last day of any such period is the Credit Event Backstop Date or the Successor Backstop Date, such last day shall not be subject to any adjustment in accordance with any Credit Business Day Convention. The following terms, when used in conjunction with the term "Credit Business Day Convention" and a date, shall mean that an adjustments will be made if that date would otherwise fall on a day that is not a Business Day so that:

- (a) if “Following” is specified as the applicable Credit Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day;
- (b) if “Modified Following” is specified as the applicable Credit Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and
- (c) if “Preceding” is specified as the applicable Credit Business Day Convention in the applicable Final Terms, that date will be the first preceding day that is a Business Day.

**“Credit Event”** means the occurrence of any one or more of the Credit Events specified in the applicable Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention or any additional Credit Event specified in the applicable Final Terms, as determined by the Calculation Agent.

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 defense based upon:

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

**“Credit Event Backstop Date”** means:

- (a) for the purposes of any event that the relevant Credit Derivatives Determinations Committee has Resolved as constituting a Credit Event (or with respect to Repudiation/Moratorium, the event described in sub-paragraph (b) of the definition of Repudiation/Moratorium), the date that is sixty calendar days prior to the Credit Event Resolution Request Date; or
- (b) otherwise:
  - (i) the date specified as such in the applicable Final Terms; or
  - (ii) if no such date is specified, the date that is sixty calendar days prior to the Trade Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention and/or Credit Business Day Convention.

**“Credit Event Determination Date”** means either:

- (a) if DC Determinations is specified in the applicable Final Terms (other than where the relevant Credit Event is a M(M)R Restructuring), a Credit Event Resolution Request Date occurs on or following the Trade Date and a DC Credit Event Announcement occurs with respect thereto during the Notice Delivery Period, the date on which such DC Credit Event Announcement occurred; or
- (b) if the Calculation Agent delivers a Credit Event Notice to the Issuer that is effective and if Notice of Publicly Available Information is specified as applying in the applicable Final Terms, a Notice of Publicly Available Information, that is effective, in each case, during the Notice Delivery Period, the Notice Delivery Date,

Provided That,

- (i) in the case of sub-paragraph (a) above, no Credit Event Determination Date will occur with respect to an event and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred if a DC No Credit Event Announcement occurs with respect to such event; and
- (ii) in the case of sub-paragraph (b) above and if DC Determinations is specified in the applicable Final Terms, if following the delivery of the Credit Event Notice by the Calculation Agent a Credit Event Resolution Request Date occurs in relation to the event referred to in the Credit Event Notice and prior to the Valuation Date:

- (A) the Credit Event Notice is deemed to be revoked in accordance with its definition below, the relevant Credit Event Determination Date shall be deemed not to have occurred; or
- (B) a DC Credit Event Announcement occurs with respect to such event and the relevant Reference Entity or Obligation thereof, the Calculation Agent may in its sole and absolute discretion revoke the Credit Event Notice by giving notice to the Issuer, in which case the relevant Credit Event Determination Date shall be deemed not to have occurred in accordance with sub-paragraph (b) above but shall be deemed to have occurred in accordance with sub-paragraph (a) above.

**“Credit Event Notice”** means a notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the Trade Date or, if earlier and if specified as applicable in the applicable Final Terms, the Credit Event Backstop Date and on or prior to the Extension Date,

provided that if DC Determinations is specified in the applicable Final Terms:

- (a) if a DC No Credit Event Announcement has occurred with respect to such event and the relevant Reference Entity or Obligation thereof, the Calculation Agent may not deliver a Credit Event Notice in relation thereto, unless the DC Resolutions in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Credit Event under the 2014 Definitions and the definition of Credit Event hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the Securities; and
- (b) if subsequently a DC No Credit Event Announcement occurs with respect to such event and the relevant Reference Entity or Obligation thereof, the Credit Event Notice shall be deemed to be revoked and the relevant Credit Event Determination Date shall be deemed not to have occurred, unless the DC Resolutions in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Credit Event under the 2014 Definitions and the definition of Credit Event hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the Securities.

For the avoidance of doubt, any deemed revocation of the Credit Event Notice as provided above shall not prevent the Calculation Agent from delivering a further Credit Event Notice subsequently in relation to a new Credit Event.

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

A Credit Event Notice that describes a Credit Event other than a Restructuring must be in respect of the full principal amount outstanding of each Security.

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

**“Credit Event Redemption Amount”** means the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

“A” is the Calculation Amount;

“B” is the Final Price or, if Auction Settlement is specified in the applicable Final Terms and § 6(1)(A) does not apply, the Auction Final Price; and

“C” is (i) if “Unwind Costs” is specified as applicable in the applicable Final Terms, Unwind Costs or (ii) if “Unwind Costs” is specified as not applicable in the applicable Final Terms, zero,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

“**Credit Event Redemption Date**” means the day following the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, three Business Days) after (a) the calculation of the Final Price or the publication of the Auction Final Price, as the case may be or (b) if the Credit Event Redemption Amount is specified in the applicable Final Terms or Fixed Recovery is specified as applicable in the applicable Final Terms, the Credit Event Determination Date.

“**Credit Event Resolution Request Date**” means, with respect to a DC Credit Event Question, the date as publicly announced by the DC Secretary that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question, unless the DC Resolutions in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Credit Event under the 2014 Definitions and the definition of Credit Event hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the Securities .

“**Currency Amount**” means with respect to (a) a Deliverable Obligation specified in a 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 Physical Settlement Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each Physical Settlement Amendment Notice with respect to that portion of the Securities into the currency of denomination of the relevant Replacement Deliverable Obligation.

“**Currency Rate**” means with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, 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, as the Calculation Agent shall determine in a commercially reasonable manner and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

“**Currency Rate Source**” means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee or, if no such successor rate source is approved by the relevant Credit Derivatives Determinations Committee where relevant, any successor rate source selected by the Calculation Agent in its sole and absolute discretion.

“**DC Credit Event Announcement**” means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event with respect to the Reference Entity or Obligation thereof has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if



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

**“DC Credit Event Question”** means a notice to the DC Secretary requesting that a relevant Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event with respect to the Reference Entity or Obligation thereof has occurred.

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

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

**“Default Requirement”** means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not specified in the applicable Final Terms, USD 10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

**“Deliver”** means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Asset Amount to the relevant Securityholder free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including, without limitation, any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in (a) to (d) in the definition of **“Credit Event”** above or right of set-off by or of the Reference Entity or any applicable Underlying Obligor) provided that (i) if a Deliverable Obligation is a Direct Loan Participation, **“Deliver”** means to create (or procure the creation of) a participation in favour of the relevant Securityholder and (ii) if a Deliverable Obligation is a Guarantee, **“Deliver”** means to Deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, **“Deliver”** means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. **“Delivery”** and **“Delivered”** will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) this definition of **“Deliver”** shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (iii) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three Business Days following the date on which the Issuer has notified the Securityholders in accordance with §6(3) of the detailed description of the Asset Package that it intends to Deliver, (iv) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (v) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value.

**“Deliverable Obligation”** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in “(A) Method for Determining Deliverable Obligations” below;
- (b) each Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation;
- (d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if “Financial Reference Entity Terms” is specified as applicable in the applicable Final Terms) or any Package Observable Bond (if the Reference Entity is a Sovereign); and
- (e) any Additional Deliverable Obligation of the Reference Entity specified as such in the applicable Final Terms,

in each case unless it is an Excluded Deliverable Obligation and provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of paragraph (d), immediately prior to the relevant Asset Package Credit Event).

(A) **Method for Determining Deliverable Obligations.** For the purposes of this definition of “Deliverable Obligation”, the term “Deliverable Obligation” may be defined as each obligation of the Reference Entity described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to (B) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of both the NOPS Effective Date and the Delivery Date (unless otherwise specified). The following terms shall have the following meanings:

- (1) **“Deliverable Obligation Category”** means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of “Obligation” below, except that, for the purpose of determining Deliverable Obligations, the definition of “Reference Obligation Only” shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligation Only).
- (2) **“Deliverable Obligation Characteristics”** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of “Obligation” below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer where:
  - (i) **“Assignable Loan”** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;
  - (ii) **“Consent Required Loan”** means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guar-

antor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such Loan) or any agent;

- (iii) **“Direct Loan Participation”** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Securityholder that provides each Securityholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Securityholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (iv) **“Transferable”** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
  - (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States 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);
  - (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
  - (c) restrictions in respect of blocked periods on or around payment dates or voting periods;
- (v) **“Maximum Maturity”** means an obligation that has a remaining maturity of not greater than the period specified in the applicable Final Terms (or if no such period is specified, thirty years);
- (vi) **“Accelerated or Matured”** means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (vii) **“Not Bearer”** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognised clearing system.

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

- (1) If either of the Obligation Characteristics “Listed” or “Not Domestic Issuance” is specified in the applicable Final Terms, the Final Terms shall be construed as

though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.

- (2) If (i) either of the Deliverable Obligation Characteristics “Listed”, “Not Domestic Issuance” or “Not Bearer” is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds; (ii) the Deliverable Obligation Characteristic “Transferable” is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans; or (iii) any of the Deliverable Obligation Characteristics “Assignable Loan”, “Consent Required Loan” or “Direct Loan Participation” is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.
- (3) If more than one of “Assignable Loan”, “Consent Required Loan” and “Direct Loan Participation” are specified as Deliverable Obligation Characteristics in the applicable Final Terms, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.
- (4) If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:
  - (i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation;
  - (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: “Not Subordinated” “Specified Currency”, “Not Sovereign Lender”, “Not Domestic Currency” and “Not 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 or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: “Listed”, “Not Domestic Issuance”, “Assignable Loan”, “Consent Required Loan”, “Direct Loan Participation”, “Transferable”, “Maximum Maturity”, “Accelerated or Matured” and “Not Bearer”; and
  - (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.
- (5) For purposes of the application of the Deliverable Obligation Characteristic “Maximum Maturity”, remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determi-

nation and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.

- (6) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the applicable Final Terms, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Deliverable Obligation Characteristic.
- (7) For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in §6(3)(b) and §6(3)(c) to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- (8) If "Subordinated European Insurance Terms" is specified as applicable in the applicable Final Terms, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

**"Delivery Date"** means, with respect to a Deliverable Obligation or an Asset Package, the date on which such Deliverable Obligation is Delivered (or deemed Delivered under the definition of Deliver).

**"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 Deliverable Obligations comprising the Asset Amount.

**"Domestic Currency"** means the currency specified as such in the applicable Final Terms and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign).

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

**"Downstream Affiliate"** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than fifty per cent-owned, directly or indirectly, by the Reference Entity.

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

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

**"Eligible Transferee"** means:

- (a) any
  - (i) bank or other financial institution;
  - (ii) insurance or reinsurance company;
  - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity 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 USD 500,000,000;
- (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 (1) has total assets of at least USD 100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000; or
  - (ii) that has total assets of at least USD 500,000,000; 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); and
- (d) (i) any Sovereign; or
  - (ii) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition to USD include equivalent amounts in other currencies, as determined by the Calculation Agent.

**"Excluded Deliverable Obligation"** means:

- (a) any obligation of the Reference Entity specified as such or of a type described in the applicable Final Terms;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**“Excluded Obligation”** means:

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

**“Extension Date”** means the latest of:

- (a) the Scheduled Maturity Date;
- (b) the Grace Period Extension Date if (i) “Failure to Pay” is specified as a Credit Event in the applicable Final Terms and “Grace Period Extension” is specified as applicable in the applicable Final Terms and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Maturity Date; and
- (c) the Repudiation/Moratorium Evaluation Date (if any) if “Repudiation/Moratorium” is specified as a Credit Event in the applicable Final Terms.

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

**“Final Price”** means:

- (a) the price of the Reference Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, determined in accordance with the Valuation Method specified in the applicable Final Terms. The Calculation Agent shall, as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Securityholders at the specified office of the Fiscal Agent and, for so long as the Securities are listed on the Official List of the Luxembourg Stock Exchange at the office of the Paying Agent in Luxembourg (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price; or
- (b) if Fixed Recovery is specified as applicable in the applicable Final Terms, the percentage specified therein.

**“Fixed Cap”** means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a

Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

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

**"Fully Transferable Obligation"** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case, as of both the NOPS Effective Date and the Delivery Date. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of "Fully Transferable Obligation". .

**"Further Subordinated Obligation"** means, if a Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

**"Governmental Authority"** means:

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

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

- (i) any event which would affect creditors' rights so as to cause:
  - (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (B) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (C) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (D) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;



- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events specified in sub-paragraphs (i) to (iii) above.

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

**"Grace Period"** means:

- (a) subject to sub-paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of the relevant Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if Grace Period Extension is specified as applying in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, thirty calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applying in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity 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 or, if a place or places are not so specified, (a) if the Obligation Currency is the euro, a TARGET Settlement Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

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

- (a) Grace Period Extension is specified as applying in the applicable Final Terms; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date,

the day that is five Business Days following the day falling the number of days in the Grace Period after the date of such Potential Failure to Pay.

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

**"Hedge Disruption Event"** means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of any transaction entered into by the Issuer and/or such Affiliate to hedge the Issuer's obligations or position in respect of the Securities.

**“Hedge Disruption Obligation”** means a Deliverable Obligation included in the Asset Amount which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

**“Intervening Period”** means such period of time as any person other than the relevant Securityholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.

**“Largest Asset Package”** means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realisable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee or, if none, as determined by the Calculation Agent in its sole and absolute discretion by reference to such source(s) as it determines appropriate.

**“Limitation Date”** means the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **“2.5-year Limitation Date”**), 5 years, 7.5 years, 10 years (the **“10-year Limitation Date”**), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention and/or Credit Business Day Convention.

**“London Business Day”** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

**“Market Value”** means, with respect to a Reference Obligation on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations 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 that the Calculation Agent shall determine on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the fifteenth Business Day following the applicable Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such fifteenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such fifteenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quota-

tions were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**"Merger Event"** means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Maturity Date the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or the Issuer, as applicable, or the Issuer and a Reference Entity become Affiliates.

**"Minimum Quotation Amount"** means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, the lower of (a) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount).

**"M(M)R Restructuring"** means a Restructuring Credit Event in respect of which either "Mod R" or "Mod Mod R" is specified as applicable in the applicable Final Terms.

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

**"Next Currency Fixing Time"** means 4:00 p.m. (London time) on the London Business Day immediately following the NOPS Effective Date.

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

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

**"Non-Financial Instrument"** means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

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

**"Non-Transferable Instrument"** means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

**"Notice Delivery Date"** means the first date on which both an effective Credit Event Notice and, if "Notice of Publicly Available Information" is specified as applicable in the applicable Final Terms, an effective Notice of Publicly Available Information, have been delivered by the Calculation Agent to the Issuer.

**"NOPS Effective Date"** means the date on which the Notice of Physical Settlement or a Physical Settlement Amendment Notice, as the case may be, is deemed given.

**"Notice Delivery Period"** means the period from and including the Issue Date to and including (a) the Extension Date or (b) the Postponed Maturity Date if the Maturity Date is postponed pursuant to § 6(6).

**“Notice of Publicly Available Information”** means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applying in the applicable 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.

**“Obligation”** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in “Method for Determining Obligations” below;
- (b) each Reference Obligation specified in the applicable Final Terms; and
- (c) any Additional Obligation of a Reference Entity specified as such in the applicable Final Terms,

in each case unless it is an Excluded Obligation.

**Method for Determining Obligations.** For the purposes of sub-paragraph (a) of this definition of “Obligation”, the term “Obligation” may be defined as each obligation of the Reference Entity described by the Obligation Category specified in the applicable Final Terms, and having each of the Obligation Characteristics (if any) specified in the applicable Final Terms, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (A) **“Obligation Category”** means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms, where:
  - (1) **“Payment”** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
  - (2) **“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);
  - (3) **“Reference Obligation Only”** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;
  - (4) **“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;
  - (5) **“Loan”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
  - (6) **“Bond or Loan”** means any obligation that is either a Bond or a Loan.

- (B) **“Obligation Characteristics”** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:
- (1)
    - (a) **“Not Subordinated”** means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable;
    - (b) **“Subordination”** means, with respect to an obligation (the **“Second Obligation”**) and another obligation of the Reference Entity to which such obligation is being compared (the **“First Obligation”**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (ii) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. “Subordinated” will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and “Standard Reference Obligation” is specified as applicable in the applicable Final Terms, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date; and
    - (c) **“Prior Reference Obligation”** means, in circumstances where there is no Reference Obligation applicable to the Securities, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the applicable Final Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;
  - (2) **“Specified Currency”** means an obligation that is payable in the currency or currencies specified as such in the related Confirmation (or, if “Specified Currency” is specified in the applicable Final Terms and no currency is so specified, any Standard Specified Currency), provided that if the euro is a Specified Currency, **“Specified Currency”** shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
  - (3) **“Not Sovereign Lender”** means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as “Paris Club debt”;

- (4) **“Not Domestic Currency”** means any obligation that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency;
- (5) **“Not Domestic Law”** means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law;
- (6) **“Listed”** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (7) **“Not Domestic Issuance”** means any obligation other than an obligation that was issued (or reissued, as the case may be), or, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the 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 issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

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

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

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

**“Original Non-Standard Reference Obligation”** means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in the applicable Final Terms (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the Securities (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless (a) expressly stated to the contrary in the applicable Final Terms, or (b) the relevant Securities are Reference Obligation Only Securities.

**“Outstanding Principal Balance”**, in respect of an Obligation, will be calculated as follows:

- (i) first, by determining, in respect of the obligation, the amount of the Reference Entity’s principal payment obligations and, where applicable in accordance with § 6(13)(b), the Reference Entity’s accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);
- (ii) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by

way of (I) payment or (II) a Permitted Contingency) (the amount determined in paragraph (i) above less any amounts subtracted in accordance with this paragraph (ii), the **"Non-Contingent Amount"**); and

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

in each case, determined:

- (A) unless otherwise specified, in accordance with the terms of the obligation in effect on either (I) the NOPS Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date), or (II) the Valuation Date, as applicable; and
- (B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

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

**"Payment Requirement"** means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the applicable Final Terms, USD 1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

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

- (a) as a result of the application of:
  - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
  - (ii) provisions implementing the Subordination of the obligation;
  - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
  - (iv) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the applicable Final Terms; or
  - (v) provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

**"Permitted Transfer"** means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a

new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

“**Physical Settlement Period**” means the number of Business Days specified as such in the applicable Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Asset Amount, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as the Calculation Agent shall determine, provided that if the Asset Amount comprises an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be thirty five Business Days.

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

“**Potential Repudiation/Moratorium**” means the occurrence of an event described in sub-paragraph (a) of the definition of Repudiation/Moratorium.

“**Prior Deliverable Obligation**” means:

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

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

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

“**Publicly Available Information**” means:

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



- (iii) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

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

- (b) In relation to any information of the type described in sub-paragraphs (a)(ii) and (iii) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding or other restriction regarding the confidentiality of such information and that the entity 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 Calculation Agent.
- (c) Without limitation, Publicly Available Information need not state:
  - (i) in relation to the definition of “Downstream Affiliate”, the percentage of Voting Shares owned by the Reference Entity; and
  - (ii) that the relevant occurrence:
    - (A) has met the Payment Requirement or Default Requirement;
    - (B) is the result of exceeding any applicable Grace Period; or
    - (C) has met the subjective criteria specified in certain Credit Events.
- (d) In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both paragraphs (a) and (b) of the definition of Repudiation/Moratorium.

“**Public Source**” means each source of Publicly Available Information specified as such in the applicable Final Terms (or, if a source is not specified, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

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

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

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or

- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
- (i) by payment;
  - (ii) by way of Permitted Transfer;
  - (iii) by operation of law;
  - (iv) due to the existence of a Fixed Cap; or
  - (v) due to:
    - (A) provisions permitting or anticipating a Governmental Intervention, if “Financial Reference Entity Terms” is specified as applicable in the applicable Final Terms; or
    - (B) any Solvency Capital Provisions, if “Subordinated European Insurance Terms” is specified as applicable in the applicable Final Terms.

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

In order for a guarantee to constitute a Qualifying Guarantee:

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

**“Qualifying Participation Seller”** means any participation seller that meets the requirements specified in the applicable Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

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

**“Quotation”** means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Reference Obligation’s Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the fifteenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt

to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.

- (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 fifteenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such fifteenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such fifteenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**“Quotation Amount”** means the amount specified as such in the applicable Final Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is so specified, the aggregate outstanding principal amount of the Securities of the Securities or, if the Securities were on the Issue Date linked to a portfolio of Reference Entities (for the avoidance of doubt this does not include Securities to which § 6(16) below applies), the proportion of the aggregate principal amount of the Securities that the Calculation Agent determines is referable to the credit protection purchased by the Issuer under the Securities in relation to the relevant Reference Entity (or, in any case, its equivalent in the relevant Obligation Currency, which shall be converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

**“Quotation Dealer”** means a dealer (other than Deutsche Bank AG, London Branch) in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Quotation Dealer specified in the applicable Final Terms. If no Quotation Dealers are specified in the applicable Final Terms, the Calculation Agent shall select the Quotation Dealers in its sole and absolute discretion. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

**“Quotation Method”** means the applicable Quotation Method specified in the applicable Final Terms by reference to one of the following terms:

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

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply.

**“Redemption Amount”** means, for the purposes of § 5(1) and in respect of each principal amount of Securities equal to the Calculation Amount, the amount specified as such in the applicable Final Terms.

**“Reference Entity”** means the entity specified as such in the applicable Final Terms. Any Successor to the Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of “Successor” in this § 6(10) on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date be the Reference Entity for the purposes of the relevant Securities, unless in the case of sub-paragraph (b) the Calculation Agent, acting in good faith and a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2014 Definitions and the definition of Successor hereunder and such

other factor(s) as it deems appropriate, determines that it is inappropriate to follow such DC Resolution for the purposes of the Securities.

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

- (a) "Standard Reference Obligation" is specified as not applicable in the applicable Final Terms, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or
- (b) (i) "Standard Reference Obligation" is specified as applicable in the applicable Final Terms (or no election is specified in the applicable Final Terms), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the applicable Final Terms, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

**"Reference Obligation Only Securities"** means any Securities in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category in the applicable Final Terms and (b) "Standard Reference Obligation" is specified as not applicable in the applicable Final Terms. If the Securities are Reference Obligation Only Securities and the event set out in paragraph (i) of the definition of Substitution Event occurs with respect to the Reference Obligation, the provisions of §6(14)(a), §6(14)(b) or §6(16)(c), as applicable, below shall apply. Notwithstanding the definition of Substitute Reference Obligation herein (i) no Substitute Reference Obligation shall be determined in respect of Securities which are Reference Obligation Only Securities and (ii) if the Securities are Reference Obligation Only Securities and the events set out in paragraph (ii) or (iii) of the definition of Substitution Event occur with respect to the Reference Obligation, such Reference Obligation shall continue to be the Reference Obligation.

**"Relevant Guarantee"** means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the applicable Final Terms, a Qualifying Guarantee.

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

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

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

- (iv) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan".

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

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

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

**"Repudiation/Moratorium Evaluation Date"** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is sixty 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 sixty days after the date of such Potential Repudiation/Moratorium.

**"Repudiation/Moratorium Extension Condition"** means:

- (i) if DC Determinations is specified in the applicable Final Terms, the public announcement by the DC Secretary, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity has occurred on or prior to the Scheduled Maturity Date, unless the DC Resolutions in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Potential Repudiation/Moratorium under the 2014 Definitions and the definition of Potential Repudiation/Moratorium hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the Securities, or
- (ii) otherwise, the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applicable in the applicable Final Terms, Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective on or prior to the Scheduled Maturity Date or, if § 6(6)(y) applies, the Postponed Maturity Date.

In all cases if DC Determinations is specified in the applicable Final Terms, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to

the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Scheduled Maturity Date, unless the DC Resolutions in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Potential Repudiation/Moratorium under the 2014 Definitions and the definition of Potential Repudiation/Moratorium hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the Securities.

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

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

**“Restructuring”** means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of the Obligation to bind all the holders of such Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Trade Date or, if earlier and if specified as applicable in the applicable Final Terms, the Credit Event Backstop Date and 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 (including by way of redomination);
- (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redomination);
- (iii) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest, or (ii) the payment of principal or premium;
- (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 of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

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

- (a) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

- (b) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (c) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (d) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of 0 above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of the definition of Restructuring and § 6(12), the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in the initial paragraph and sub-paragraphs (i) to (v) of the definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under 0 to 0 above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

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

**“Restructuring Maturity Limitation Date”** means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **“Latest Maturity Restructured Bond or Loan”**) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

**“Revised Currency Rate”** means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time, or (b) if such rate is not available at such time, as the Calculation Agent shall determine in a commercially reasonable manner.

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

**“Seniority Level”** means, with respect to an obligation of the Reference Entity, (a) “Senior Level” or “Subordinated Level” as specified in the applicable Final Terms, or (b) if no such seniority level is specified in the applicable Final Terms, “Senior Level” if the Original Non-Standard Reference Obligation is a Senior Obligation or “Subordinated Level” if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (c) “Senior Level”.

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

**“Settlement Currency”** means the currency specified as such in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the Securities.

**“Settlement Date”** means the last day of the longest Physical Settlement Period following:

- (x) the occurrence of the relevant Credit Event Determination Date; or
- (y) if Physical Settlement is the applicable Fallback Settlement Method, (1) if § 6(1)(x) above applies, the earlier to occur of the No Auction Announcement Date, the Auction Cut-Off Date, the Calculation Agent No Auction Determination Date or the Auction Cancellation Date or (2) if § 6(1)(y) above applies, the Credit Event Determination Date,

(in either case, the **“Scheduled Settlement Date”**) provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Settlement Date, the Settlement Date shall be the earlier of (i) the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling 60 Business Days following the Scheduled Settlement Date.

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

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

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

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

**“Specified Number”** means the number of Public Source(s) specified in the applicable Final Terms (or, if no such number is specified, two).

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

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

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

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



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

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

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution, unless the DC Resolution in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Reference Obligation and Substitute Reference Obligation under the 2014 Definitions and those definitions hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the Securities.
- (b) If any of the events set forth under paragraph (i) or (iii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (ii) of the definition of Substitution Event has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraph (i) or (iii) of the definition of Substitution Event occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
  - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
  - (ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
  - (iii) (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
    - (I) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation; or if no such obligation is available,
    - (II) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation;
  - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:

- (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
  - (II) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation; or if no such obligation is available,
  - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
  - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation; or
- (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
- (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
  - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
  - (III) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation; or if no such obligation is available,
  - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and/or payment obligations of the Issuer under the Securities, as determined by the Calculation Agent. The Calculation Agent will notify (which notification may be by telephone) the Issuer of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.
- (f) For the avoidance of doubt, no Substitute Reference Obligation shall be determined in respect of any Securities that are Reference Obligation Only Securities.

**“Substitution Date”** means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies (which notification may be by telephone) the Issuer of the Substitute Reference Obligation that it has identified in accordance with the definition of Substitute Reference Obligation.

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

- (i) the Non-Standard Reference Obligation is redeemed in whole;
- (ii) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
- (iii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

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

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

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

**"Successor"** means, subject to paragraph (c) below:

- (a) the entity or entities, if any, determined as set forth below:
  - (i) subject to paragraph (vii) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
  - (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent. (but less than seventy-five per cent.) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor;
  - (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;
  - (iv) if one or more entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will

each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;

- (v) if one or more entities succeeds, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession; and
  - (vi) if one or more entities succeeds, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below); and
  - (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the “**Universal Successor**”) will be the sole Successor.
- (b) The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a) above; provided that the Calculation Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations, unless the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2014 Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such DC Resolutions for the purposes of the Securities.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor on the basis of Eligible Information and as soon as practicable after any such calculation or determination will notify (which notification may be by telephone) the Issuer of such calculation or determination and make such calculation or determination available for inspection by Securityholder(s) at the specified office of the Fiscal Agent.

In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

- (c) An entity may only be a Successor if:
- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
  - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and

- (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.
- (d) For purposes of this definition of Successor, “**succeed**” means, with respect to a Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the “**Exchange Bonds or Loans**”) that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of this definition of Successor, “**succeeded**” and “**succession**” shall be construed accordingly.
- (e) In the case of an exchange offer, the determination required pursuant to paragraph (a) above shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.
- (f) If two or more entities (each, a “**Joint Potential Successor**”) jointly succeed to a Relevant Obligation (the “**Joint Relevant Obligation**”) either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.
- (g) Where, pursuant to paragraph 0, 0 or 0 above, more than one Successor has been identified, the Calculation Agent shall adjust ~~such of the Terms and Conditions~~ and/or the applicable Final Terms as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Terms and Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Securities under the provisions of the 2014 Definitions.
- (h) Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Securityholders in accordance with § [12]/[15], stating the adjustment to the Terms and Conditions and/or the applicable Final Terms and giving brief details of the relevant succession.

“**Successor Backstop Date**” means for purposes of any Successor determination determined by DC Resolution, the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered by the Calculation Agent to the Issuer not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date, unless the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2014 Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines the DC Resolutions the subject of such request inappropriate to follow for the

purposes of the Securities. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention and/or Credit Business Day Convention.

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

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

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

**“TARGET Settlement Day”** means any day on which TARGET2 System is open.

**“TARGET2 System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

**“Trade Date”** means the date specified as such in the applicable Final Terms.

**“Undeliverable Obligation”** means a Deliverable Obligation included in the Asset Amount which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Settlement Date.

**“Unwind Costs”** means:

- (a) the amount specified in the applicable Final Terms; or
- (b) if **“Standard Unwind Costs”** are specified in the applicable Final Terms, an amount determined by the Calculation Agent (which may be positive, negative or zero) equal to the sum of (without duplication):
  - (i) the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer (as applicable zero or expressed as a positive amount); and
  - (ii) any gains realised by the Issuer (as applicable zero or expressed as a negative amount),

in either case in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each principal amount of Securities equal to the Calculation Amount.

**“Valuation Date”** means (a) where Physical Delivery is specified as applicable in the applicable Final Terms, the day falling three Business Days after the Final Delivery Date, or (b) where Cash Settlement is specified as applicable in the applicable Final Terms, (A) if **“Single Valuation Date”** is specified in the applicable Final Terms, the date that is (i) the number of Business Days specified in the Final Terms or (ii), if the number of Business Days is not so specified, five Business Days, in either case after (x) the Credit Event Determination Date or (y) if Cash Settlement is the applicable Fallback Settlement Method, (1) if § 6(1)(x) above applies, the earlier to occur of the No Auction Announcement Date, the Auction Cut-Off Date, the Calculation Agent No Auction Determination Date or the Auction Cancellation Date or (2) if § 6(1)(y) above applies, the Credit Event Determination Date, and (B) if **“Multiple Valuation Dates”** is specified in the applicable Final Terms, each of the following dates:

- (i) the date that is the number of Business Days specified in the applicable Final Terms after (x) the Credit Event Determination Date or (y) if Cash Settlement is the applicable Fallback Settlement Method, (1) if § 6(1)(x) above applies, the earlier to occur of the No Auction Announcement Date, the Auction Cut-Off Date, the Calculation Agent No Auction Determination Date or the Auction Cancellation Date or (2) if § 6(1)(y) above applies, the Credit Event Determination Date (or in either case if the number of Business Days is not specified, five Business Days); and
- (ii) each successive date that is the number of Business Days specified in the applicable Final Terms (or if the number of Business Days is not so specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When “Multiple Valuation Dates” is specified in the applicable Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable Final Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither “Single Valuation Date” nor “Multiple Valuation Dates” is specified in the applicable Final Terms, Single Valuation Date shall apply.

**“Valuation Method”:**

- (a) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Valuation Date:
  - (i) **“Market”** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
  - (ii) **“Highest”** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Highest.

- (b) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Valuation Date:
  - (i) **“Average Market”** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
  - (ii) **“Highest”** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
  - (iii) **“Average Highest”** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Highest.

- (c) Notwithstanding sub-paragraphs (a) and (b) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market or Average Market, as the case may be.

**“Valuation Time”** means the time specified as such in the applicable Final Terms (or, if no such time is specified, 11:00 a.m. in the principal trading market for the Reference Obligation).

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

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

(11) *Credit Event Notice after Restructuring.*

If § 6(11) is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring:

- (a) the Calculation Agent may deliver a Credit Event Notice with respect to such Restructuring in respect of an amount (the “**Partial Redemption Amount**”) that is less than the principal amount outstanding of each Security immediately prior to the delivery of such Credit Event Notice, provided that if the Credit Event Notice does not specify a Partial Redemption Amount, the Credit Event Notice will be deemed to apply to the full principal amount outstanding of each Security. In such circumstances the provisions of § 6 shall be deemed to apply to the Partial Redemption Amount only and each such Security shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).
- (b) For the avoidance of doubt (i) the principal amount of each such Security not so redeemed in part shall remain outstanding and interest shall accrue on the principal amount outstanding of such Security as provided in § 3 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (ii) the provisions of § 6 shall apply to such principal amount outstanding of such Security in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring and (iii) once a Credit Event Notice with respect to a Restructuring has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring.
- (c) If the provisions of this § 6(11) apply in respect of the Securities, on redemption of part of each such Security the relevant Security or, if the Securities are represented by a Global Security, such Global Security, shall be endorsed to reflect such part redemption.

(12) *Provisions relating to Multiple Holder Obligation.*

- (a) If § 6(12) is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (i) to (v) of the definition of “Restructuring” shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.
- (b) “**Multiple Holder Obligation**” means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in paragraph (ii).

(13) *Timings and Accrued Interest for Delivery or Valuation.*

- (a) Timings



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

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

(b) **Accrued Interest for Delivery or Valuation**

(i) If Physical Delivery is specified in the applicable Final Terms or if §6(1)(B) applies, the Outstanding Principal Balance of the Deliverable Obligations comprising the Asset Amount will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified in the applicable Final Terms, in which case, the Outstanding Principal Balance of the Deliverable Obligations comprising the Asset Amount will include accrued but unpaid interest (as the Calculation Agent shall determine);

(ii) If Cash Settlement is specified in the applicable Final Terms or if §6(1)(A) applies and:

(x) "Include Accrued Interest" is specified in the applicable Final Terms, the Outstanding Principal Balance of the Reference Obligation shall include accrued but unpaid interest;

(y) "Exclude Accrued Interest" is specified in the applicable Final Terms, the Outstanding Principal Balance of the Reference Obligation shall not include accrued but unpaid interest; or

(z) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms, the Calculation Agent shall determine, based on the then current market practice in the market of the Reference Obligation whether the Outstanding Principal Balance of the Reference Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof; or

(iii) If §6(8) is applicable, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, whether the relevant Quotations shall include or exclude accrued but unpaid interest.

(14) *Early redemption of Reference Obligation Only Securities following a Substitution Event.*

(a) If the Securities are Reference Obligation Only Securities relating to a single Reference Entity and the event set out in paragraph (i) of the definition of Substitution Event above occurs with respect to the Reference Obligation, then each principal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Early Redemption Amount on the fifth Business Day following the relevant Substitution Event Date.

(b) If the Securities are Reference Obligation Only Securities and § 6(18) or § 6(19) below applies to the Securities and the event set out in paragraph (i) of the definition of Substitution Event above occurs with respect to the Reference Obligation of a Reference Entity, then each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount will be redeemed by the Issuer by payment of the Early Redemption Amount on the fifth Business Day following the relevant Substitution Event Date. Thereupon the relevant Reference Entity

shall be deemed to have ceased to be a Reference Entity and the Calculation Agent will adjust such of these Terms and Conditions and/or the applicable Final Terms as it determines appropriate in its sole and absolute discretion to reflect such redemption in part and change to the portfolio of Reference Entities, including without limitation, the Outstanding Principal Amount.

The Early Redemption Amount in respect of each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and which shall not be less than zero) calculated by the Calculation Agent in its sole and absolute discretion equal to the Credit Event Reduction Amount in respect of the relevant Reference Entity less Early Redemption Unwind Costs (construed for these purposes to reflect the redemption of the Securities being in part).

(15) *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 the Securities shall (in the absence of manifest error) be final and binding on the Issuer and the Securityholders. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. Unless otherwise provided herein, in performing its duties pursuant to the Securities, 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 Securities 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 neither the Calculation Agent nor 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.

(16) *First to Default Securities*

If First to Default Securities is specified as applicable in the applicable Final Terms, the following shall apply:

- (a) a Credit Event Determination Date may only occur on one occasion and consequently, subject as provided in § 6(11), if applicable, and, if DC Determinations is specified as applicable in the applicable Final Terms, the definition of Credit Event Determination Date in § 6(10), a Credit Event Notice may only be delivered on one occasion. If a Credit Event Determination Date occurs in respect of more than one Reference Entity on the same date, the Calculation Agent shall determine in its sole and absolute discretion which Reference Entity is the Reference Entity in respect of which the Credit Event Determination Date has occurred. The Final Price or Auction Final Price, as applicable, will be calculated or that published, as applicable, in respect of the Reference Entity in respect of which the Credit Event Determination Date has occurred;
- (b) the following shall be inserted after the paragraph commencing “In the case of (b) above” in the definition of Successor in § 6(10):

“Notwithstanding the provisions above and sub-paragraph (b) of the definition of Reference Entity, where one or more Reference Entities (each an “**Affected Reference Entity**”) and/or the Issuer would, but for this provision, be identified as a Successor pursuant thereto and at least one other entity which is not a Reference Entity or the Issuer is also identified as a Successor for the purposes of any succession, each Affected Reference Entity and/or the Issuer, as applicable, shall not be regarded as a “Successor” for the purposes of the Securities. Where pursuant to the provisions above or sub-paragraph (b) of the definition of Reference Entity one or more Reference Entities (each an “**Affected Reference Entity**”) and/or the Issuer would, but for this provision, be identified as a Successor pursuant thereto but no other entities (that are not Reference

Entities or the Issuer) are identified as a Successor in respect of the relevant succession, each Affected Reference Entity and/or the Issuer, as applicable, shall not be regarded as a “Successor” for the purposes of the Securities and if “Alternative Reference Entity” is specified as applicable in the applicable Final Terms, in respect of each Affected Reference Entity or the Issuer, as applicable, the Calculation Agent shall use reasonable endeavours to (a) select an Alternative Reference Entity to be the Successor in respect of the relevant succession and (b) select an Alternative Reference Obligation to be the Reference Obligation in respect of such Alternative Reference Entity after the relevant succession and the Calculation Agent may make such adjustments to these Terms and Conditions and/or the applicable Final Terms as it determines to be necessary or desirable to reflect such Alternative Reference Entity and Alternative Reference Obligation. If “Alternative Reference Entity” is specified as not applicable in the applicable Final Terms or the Calculation Agent is unable to select an Alternative Reference Entity or an Alternative Reference Obligation as aforesaid, no Successor shall be appointed, the Reference Entity to which the relevant succession relates shall be deemed to have ceased to be a Reference Entity and that portion of the interest payable or, if the Securities are Zero Coupon Securities or Non-Interest Bearing Securities, the portion of the Redemption Amount which is referable to the purchase of credit protection purchased by the Issuer under the Securities shall be reduced accordingly as determined by the Calculation Agent in its sole and absolute discretion, in each case with effect from the date determined by the Calculation Agent to be the relevant Succession Date.

Where:

“**Alternative Reference Entity**” means an entity which satisfies both the Industry Requirement and the Spread Requirement as determined by the Calculation Agent in its sole and absolute discretion;

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

“**Industry Requirement**” means an entity that is in the same industry group specified by Moody’s Investor Service, Inc. or any successor to the rating business thereof or Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof as the Reference Entity for which a Successor falls to be determined pursuant to this definition of Successor, as determined by the Calculation Agent in its sole and absolute discretion;

“**Spread**” means the bid-side quotation obtained by the Calculation Agent from such leading dealer in the credit default swap market selected by the Calculation Agent in its sole and absolute discretion for a credit default swap in respect of the relevant entity with a credit protection period commencing on the date determined by the Calculation Agent to be the date of the relevant Succession Date and ending on the Scheduled Maturity Date and with the Reference Obligation(s) specified in the applicable Final Terms; and

“**Spread Requirement**” means an entity that, as at the date of selection, has a Spread not greater than the product of (a) the Spread Requirement Percentage specified in the applicable Final Terms and (b) the Spread of the Reference Entity for which a Successor falls to be determined pursuant to this definition of Successor, immediately prior to the relevant Succession Date as determined by the Calculation Agent in its sole and absolute discretion.”; and

- (c) if the Securities are Reference Obligation Only Securities and the event set out in paragraph (i) of the definition of Substitution Event above occurs with respect to the Reference Obligation of a Reference Entity, then thereupon such Reference Entity shall be deemed to have ceased to be a

Reference Entity and that portion of the interest payable or, if the Securities are Zero Coupon Securities or Non-Interest Bearing Securities, the portion of the Redemption Amount which is referable to the purchase of credit protection purchased by the Issuer under the Securities shall be reduced accordingly as determined by the Calculation Agent in its sole and absolute discretion.

(17) *EM Pass-Through Securities*

If EM Pass-Through Securities is specified as applicable in the applicable Final Terms, the following shall apply:

(a) *Redemption pursuant to § 5(1)*

Subject as provided in paragraph (g) below, the Redemption Amount in respect of each principal amount of Securities equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent equal to such Securities' *pro rata* share of the Converted Face Realisation Amount.

The amount (if any) of the Redemption Amount which is above the Issue Price is payable (x) as consideration for the use of the Issue Price by the Issuer, (y) as compensation for and in recognition that in certain circumstances no Interest Amount may be payable and (z) as compensation for and in recognition that in certain circumstances the aggregate amounts payable on redemption of the Securities may be less than the Issue Price and in certain circumstances may be zero.

(b) *Redemption pursuant to § 5 [in the case of Option I the following applies: [(6)]] [in the case of Option II and Option V the following applies: [(7)]] or § [in the case of Option I and Option II the following applies: [9]] [in the case of Option V the following applies: [12]]*

Subject as provided in paragraph (g) below, the Early Redemption Amount in respect of each principal amount of Securities equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent equal to such Securities' *pro rata* share of (a) the Face Amount, converted into the Specified Currency at the Fixing Rate on the relevant Fixing Date less (b) Early Redemption Unwind Costs.

(c) *Redemption pursuant to § 6(2)*

Subject as provided in paragraph (g) below, the Credit Event Redemption Amount in respect of each principal amount of Securities equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent equal to such Securities' *pro rata* share of (a) the Final Price, converted into the Specified Currency at the Fixing Rate on the relevant Fixing Date less (b) Unwind Costs.

(d) *Interest*

(i) Notwithstanding the provisions of § 3, each Security bears interest and pays the Interest Amount on the relevant Interest Payment Date (if any), in each case as provided in this § 6(17), and § 3 shall be construed accordingly. In the event of any conflict between this § 6(17) and § 3, this § 6 (17) shall prevail.

(ii) § 5[(6)]/[(7)] shall be amended by the deletion of the words "together (if applicable) with interest accrued to (but excluding) the date of redemption" therein.

- (iii) § [9][12] shall be amended by the deletion of the words “together with interest accrued to the date of repayment” therein.
- (iv) In the event that the Securities are redeemed pursuant to § 5[(6)]/(7)], § 6(2) or § [9][12], no interest will be payable in respect of which the relevant Interest Payment Date has not occurred on or prior to the date fixed for such redemption, Provided That if the date fixed for such redemption falls prior to the first Interest Payment Date, no interest shall be payable in respect of the Securities.
- (v) if:
  - (x) § 6(4) or § 6(5) applies in respect of the Securities and, in the case of § 6(4), a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of § 6(5) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date, as the case may be; and/or
  - (y) § 6(6) applies in respect of the Securities and the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, is postponed as provided therein,

then interest will payable as provided in § 6(4), § 6(5) or § 6(6), as the case may be.

(e) *Adjustments on Cancellation*

The terms of the Securities are stated on the basis of the Aggregate Principal Amount of the Series. Where pursuant to § [in the case of Option I and Option II the following applies: [11(2)] [in the case of Option V the following applies: [14(2)]] some but not all of the Securities are cancelled, the Calculation Agent may adjust such of these Terms and Conditions and/or the applicable Final Terms, as it determines to be appropriate acting in good faith and in a commercially reasonable manner, to preserve for the Securityholders the economic equivalent of the payment obligations of the Issuer in respect of the Securities after the cancellation of such Securities.

Upon the Calculation Agent making such adjustment(s), the Issuer shall give notice as soon as practicable to the Securityholders in accordance with § [12]/[15] stating the relevant adjustments.

(f) *The Holding*

The Securities are linked to a holding (the “**Holding**”) of Reference Obligations that as of the Issue Date of the first Tranche of the Securities had a face amount equal to the Face Amount.

(g) *Inconvertibility Event and Non-Transferability Event*

Subject to the following paragraph, if on any date on which a Fixing Rate is required to be determined under the Securities the Calculation Agent determines that an Inconvertibility Event has occurred and is subsisting it shall give notice (an “**Inconvertibility Event Notice**”) to the Securityholders in accordance with § [12]/[15] and, in lieu of paying the relevant Specified Currency amount to be calculated using such Fixing Rate on the due date for payment thereof, the Issuer shall pay the relevant unconverted amount in the Domestic Currency (each a “**Domestic Currency Amount**”) two Business Days after receipt by the Calculation Agent of the relevant Domestic Currency Amount Notice. In order to receive a Domestic Currency Amount, each Securityholder must deliver to the Calculation Agent in accordance with paragraph (h) below a notice (a “**Domestic Currency Amount Notice**”) specifying details of an account into which, in the determination of the Calculation Agent, the relevant Domestic Currency Amount may be paid.

In the event that the Calculation Agent determines that it is unlawful, impossible or otherwise impracticable to make payment of any Domestic Currency Amount (other than as a result of the failure to deliver a Domestic Currency Amount Notice) on the due date for payment thereof (a “**Non-Transferability Event**”), the Issuer shall notify the Securityholders in accordance with § [12]/[15] that such due date for payment has been postponed until the first date on which in the opinion of the Calculation Agent the relevant Non-Transferability Event is no longer subsisting and the Issuer shall pay an additional interest equal to the interest (if any) earned by the Issuer on the deposit of the relevant Domestic Currency Amount in the period from (and including) the originally scheduled due date for payment to (but excluding) such postponed date of payment.

(h) *Calculation Agent*

§ 6(15) (*Calculation Agent*) shall not apply.

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 the Securities shall (in the absence of manifest error) be final and binding on the Issuer and the Securityholders. 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 Securities, the Calculation Agent shall act in good faith and in a commercially reasonable manner. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Securities 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 neither the Calculation Agent nor 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.

Any Domestic Currency Amount Notice from a Securityholder to the Calculation Agent will be validly given if delivered in writing to the Calculation Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, attention Treasury Desk London. Any such notice shall be deemed to have been given on the day when delivered or if delivered after 5.00 p.m. (London time) on any day or on any day on which commercial banks were not open for business in London, the first day thereafter on which commercial banks are open for business in London. The relevant Securityholder must provide satisfactory evidence to the Calculation Agent of its holding of the relevant Securities.

(i) *Interpretation and Definitions*

In the event of any inconsistency between this §6(17) and any other provision of §6, the provisions of this §6(17) will prevail. No date under this §6(17) will be subject to adjustment in accordance with any Credit Business Day Convention.

“**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York City, Singapore and each Additional Credit Business Centre (if any) specified in the applicable Final Terms.

“**Converted Face Realisation Amount**” means the Face Realisation Amount, converted into the Specified Currency at the Fixing Rate on the relevant Fixing Date.

“**Distribution Amount**” means in respect of a Distribution Date, the amount of interest and/or coupon amount, as applicable, which would be received by a Holding Party in respect of the Holding on such Distribution Date, as determined by the Calculation Agent and for the avoidance of doubt as would be reduced by deductions for withholding taxes as applicable.

**“Distribution Date”** means each date on which any amount comprising interest and/or coupon amount (howsoever described) would be received by a Holding Party in respect of the Holding in the period from (and including) the Issue Date of the first Tranche of the Securities to (and including) the Maturity Date or, if earlier, the Credit Event Determination Date, as determined by the Calculation Agent.

**“Domestic Currency”** means the currency in which the Aggregate Principal Amount is denominated.

**“Early Redemption Date”** means, in respect of a redemption pursuant to § 5[(6)]/[(7)] or § [9]/[12], the date fixed for such redemption.

**“Early Redemption Unwind Costs”** means an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including, without limitation, loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position.

**“Face Amount”** means an amount in the Domestic Currency calculated by the Calculation Agent equal to the Aggregate Principal Amount of the Series.

**“Face Realisation Amount”** means an amount in the Domestic Currency equal to the amount (excluding any interest and/or coupon amount (howsoever described)) which would be received by a Holding Party in respect of the Holding on the final redemption of the Holding at maturity, as determined by the Calculation Agent and for the avoidance of doubt as would be reduced by deductions for withholding taxes as applicable.

**“Final Price”** means an amount in the Domestic Currency calculated by the Calculation Agent equal to the highest firm bid price obtained by the Calculation Agent from the Reference Dealers for the delivery onshore of the Holding on the Valuation Date, Provided That if no firm bid price is obtained, the Final Price shall be calculated by the Calculation Agent and may in certain circumstances be zero.

The Calculation Agent shall attempt to obtain firm bid prices as aforesaid from four Reference Dealers.

**“Fixing Date”** means:

- (a) in respect of a redemption pursuant to § 5(1), the second Business Day immediately preceding the Maturity Date;
- (b) in respect of a redemption pursuant to § 5[(6)]/[(7)] or § [9]/[12], the relevant Early Redemption Date or, if such date is not a Business Day, the immediately preceding Business Day;
- (c) in respect of a redemption pursuant to § 6(2), the second Business Day immediately succeeding the Valuation Date; or
- (d) for the purposes of calculating an Interest Amount, the second Business Day immediately preceding the relevant Interest Payment Date.

**“Fixing Rate”** means, in respect of a Fixing Date, the rate of exchange, expressed as the amount of the Domestic Currency for which one unit of the Specified Currency may be exchanged, prevailing at the Fixing Rate Time on such Fixing Date, as determined by the Calculation Agent by reference to the FX Price Source, or if no FX Price Source is specified in the applicable Final

Terms or such rate does not so appear on the FX Price Source, as determined by the Calculation Agent.

“**Fixing Rate Time**” is as specified in the applicable Final Terms.

“**FX Price Source**” is as specified in the applicable Final Terms.

“**Hard Currency**” means any of the lawful currencies of Canada, Japan, the United Kingdom and the United States of America and the Euro (and any successor currency to any such currency).

“**Holding Party**” means a hypothetical broker/dealer which is deemed to be (as determined by the Calculation Agent in the context of the relevant situation) domiciled and subject to taxation, securities law and regulations in Germany and/or any jurisdiction where Deutsche Bank, AG and/or any of its Affiliates would, in the determination of the Calculation Agent, be able to hold the Holding and which is deemed to notionally hold the Holding throughout the life of the Securities.

“**Inconvertibility Event**” means any action, event or circumstance whatsoever which from a legal or practical perspective during the term of the Securities:

- (a) in the determination of the Calculation Agent would, or would be likely to have, the direct or indirect effect of hindering, limiting, restricting or increasing the cost of the conversion of Domestic Currency into any Hard Currency or any Hard Currency into Domestic Currency, or the transfer of any Hard Currency from the Reference Entity to any other country (including, without limitation, by way of any delay, increased costs, taxes, discriminatory rates of exchange or current or future restrictions on repatriation of Domestic Currency into any Hard Currency); and/or
- (b) results in the unavailability of any Hard Currency in the interbank foreign exchange market located in the Reference Entity in accordance with normal commercial practice.

“**Interest Amount**” means, in respect of each principal amount of Securities equal to the Calculation Amount and an Interest Payment Date and subject as provided in paragraph (g) above, an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent equal to such Securities’ *pro rata* share of the Distribution Amount(s) in respect of the Distribution Date(s) related to such Interest Payment Date, converted into the Specified Currency at the Fixing Rate on the relevant Fixing Date.

“**Interest Payment Date**” means:

- (a) in respect of each Distribution Date falling in the period from (and including) the Issue Date of the first Tranche of the Securities to (and including) the second Business Day immediately preceding the earlier of the Maturity Date, the Early Redemption Date or the Credit Event Determination Date, as applicable, the day falling two Business Days following such Distribution Date; and
- (b) in respect of each Distribution Date falling after the second Business Day immediately preceding the earlier of the Maturity Date, the Early Redemption Date or the Credit Event Determination Date, as applicable, the Maturity Date, the Early Redemption Date, or the Credit Event Determination Date.

“**Reference Dealer**” means a leading dealer, bank or banking corporation which deals in obligations of the type of the Reference Obligation, as selected by the Calculation Agent.



“**Reference Entity**” means the entity or entities specified as such in the applicable Final Terms. Any Successor to a Reference Entity identified pursuant to the definition of “Successor” below shall be the Reference Entity for the purposes of the relevant Series.

“**Successor**” means any direct or indirect successor(s) to the Reference Entity provided that such successor(s) assume(s) the Reference Obligations.

“**Unwind Costs**” means an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including, without limitation, loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position.

“**Valuation Date**” means a date falling no more than 120 Business Days following the Credit Event Determination Date, as selected by the Calculation Agent.

(18) *Zero Recovery Portfolio Securities*

If Zero Recovery Portfolio Securities is specified as applicable in the applicable Final Terms, the following shall apply:

(a) *Redemption pursuant to § 5(1)*

The Redemption Amount in respect of each principal amount of Securities equal to the Calculation Amount shall be an amount in the Specified Currency equal to the Outstanding Principal Amount as of the Maturity Date.

For the avoidance of doubt, if the Outstanding Principal Amount as of the Maturity Date is zero, no amounts will be payable on the Maturity Date.

(b) *Redemption pursuant to §5[in the case of Option I the following applies: [(6)]] [in the case of Option II and Option V the following applies: [(7)]], §6(9) or §[in the case of Option I and Option II the following applies: [9]][in the case of Option V the following applies: [12]]*

The Early Redemption Amount in respect of each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and which shall not be less than zero) calculated by the Calculation Agent in its sole and absolute discretion equal to the Outstanding Principal Amount as of the due date for redemption less Early Redemption Unwind Costs.

(c) *Outstanding Principal Amount Reduction*

§ 6(1) (*Auction Settlement*) shall be deleted in its entirety and replaced with the following:

“(1) *Outstanding Principal Amount Reduction*

If a Credit Event Determination Date occurs, the Calculation Agent will reduce the Outstanding Principal Amount by an amount equal to the sum of the Credit Event Reduction Amount(s) (as defined in § 6(18) below) in respect of each Reference Entity with respect to which a Credit Event Determination Date has occurred on such date, provided that if a relevant Credit Event Determination Date is subsequently deemed not to have occurred in accordance with the definition thereof in § 6(10), the relevant reduction of the Outstanding Principal Amount shall be reversed and the Securities shall continue in accordance with their terms as if the relevant Credit Event Determination Date had not occurred, subject to such adjustments as the Calculation Agent determines appropriate in its sole and absolute discretion to reflect the retrospective effect of this

provision (including, without limitation, adjusting the amount due and/or the due date for payment of any amount payable under the Securities).

As soon as practicable after a Credit Event Determination Date the Issuer will notify the Securityholders of the occurrence of a Credit Event in accordance with § [12]/[15]. The Issuer will also give notice to the Securityholders in accordance with § [12]/[15] if the relevant Credit Event Determination Date is deemed not to have occurred as soon as practicable thereafter.

If on the relevant Credit Event Determination Date the Outstanding Principal Amount is equal to zero, the Issuer's obligations in respect of the Securities will be immediately discharged and the Issuer will have no further liability in respect thereof. The Issuer will notify the Securityholders of this as soon as practicable thereafter in accordance with § [12]/[15].

For the avoidance of doubt any failure by the Issuer to provide a notice pursuant to this § 6(1) will not constitute an Event of Default under the Securities and will not affect the validity of any of the above provisions.

***If a Credit Event Determination Date occurs the Securities will not be redeemed on the Credit Event Redemption Date by payment of the Credit Event Redemption Amount and instead the Outstanding Principal Amount will be reduced in accordance with this § 6(1), proportionately to the weighting of the relevant Reference Entity in the portfolio, and no amounts will be payable to Securityholders in this respect. In the event that the Outstanding Principal Amount is reduced to zero the Issuer's obligations in respect of the Securities will be discharged and the Issuer will have no further liability in respect thereof."***

(d) *Multiple Credit Event Determination Dates*

A Credit Event Determination Date may occur more than once except that, subject as provided in § 6(11) and the definitions of Credit Event Notice and Credit Event Determination Date in § 6(10), a Credit Event Notice (if applicable) may only be delivered on one occasion and a Credit Event Determination Date may occur once only, with respect to any Reference Entity (unless subsequent to the occurrence of a Credit Event Determination Date with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case a Credit Event Determination Date may occur again).

(e) *Accrual of Interest*

In the case of interest-bearing Securities:

- (i) § 5[(6)]/[(7)] shall be amended by the deletion of the words "together (if applicable) with interest accrued to (but excluding) the date of redemption" therein.
- (ii) § [9]/[12] shall be amended by the deletion of the words "together with interest accrued to the date of repayment" therein.
- (iii) In the event that the Securities are redeemed pursuant to § 5[(6)]/[(7)], § 6(9) or § [9]/[12], no interest will be payable in respect of the Securities in respect of which the relevant Interest Payment Date has not occurred on or prior to the date fixed for such redemption, Provided That if the date fixed for such redemption falls prior to the first Interest Payment Date, no interest shall be payable in respect of the Securities

For the avoidance of doubt, in the event that the Securities are redeemed at a time when the Outstanding Principal Amount is equal to zero, no interest will be payable in respect of the Securities.

(f) *Interpretation and Definitions*

In the event of any inconsistency between this §6(18) and any other provision of §6, the provisions of this §6(18) will prevail. No date under this §6(18) will be subject to adjustment in accordance with any Credit Business Day Convention.

“**Credit Event Reduction Amount**” means, in respect of a Reference Entity, an amount in the Specified Currency rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent in its sole and absolute discretion equal to the product of (a) the Calculation Amount and (b) the Weighting in respect of such Reference Entity.

“**Interest Amount**” means, in respect of each principal amount of Securities equal to the Calculation Amount and an Interest Period, an amount in the Specified Currency rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent in its sole and absolute discretion equal to the product of (a) the Outstanding Principal Amount as of the last day of such Interest Period (b) the Rate of Interest and (c) the Day Count Fraction in respect of such Interest Period.

“**Interest Payment Date**” means, subject as provided in §3[(3)]/[9], § 6(4), § 6(5) and § 6(6), as applicable, each date specified as such in the applicable Final Terms.

“**Outstanding Principal Amount**” means the Calculation Amount, subject to reduction in accordance with § 6(1) and as provided in § 6(14)(b).

“**Weighting**” means, with respect to a Reference Entity and subject as provided in the definition of “Successor” above, (a) the Weighting Percentage or, if prior to the occurrence of a Credit Event Determination Date with respect to such Reference Entity, such Reference Entity becomes a Successor to another Reference Entity, (b) the product of (i) the Weighting Percentage and (ii) the number of Reference Entities in respect of which such Reference Entity is a Successor.

(g) *Credit Event Notice after Restructuring*

§ 6(11) shall be deleted and the following substituted therefor:

“(11) *Credit Event Notice after Restructuring*

If § 6(11) is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring:

- (a) the Calculation Agent may deliver a Credit Event Notice with respect to such Restructuring in respect of an amount (the “**Partial Credit Event Reduction Amount**”) that is less than the Credit Event Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring immediately prior to the delivery of such Credit Event Notice, provided that if the Credit Event Notice does not specify a Partial Credit Event Reduction Amount, the Credit Event Notice will be deemed to apply to the full relevant Credit Event Reduction Amount. In such circumstances the provisions of § 6 shall be deemed to apply to the Partial Credit Event Reduction Amount only.
- (b) For the avoidance of doubt (i) the Outstanding Principal Amount in respect of each principal amount of Securities equal to the Calculation Amount shall only be reduced by the Partial Credit Event Reduction Amount and interest shall accrue on that Outstanding Principal Amount as provided in herein (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (ii) the previous

Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring Credit Event shall be reduced by the Partial Credit Event Reduction Amount and § 6 and related provisions shall apply to that reduced Credit Event Reduction Amount in the event that subsequent Credit Event Notices are delivered in respect of that Reference Entity and (iii) once a Credit Event Notice with respect to a Restructuring has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring.”.

(19) *Recovery Portfolio Securities*

If Recovery Portfolio Securities is specified as applicable in the applicable Final Terms, the following shall apply:

(a) *Redemption pursuant to § 5(1)*

The Redemption Amount in respect of each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount shall be an amount in the Specified Currency equal to the Outstanding Principal Amount as of the Maturity Date.

For the avoidance of doubt, if the Outstanding Principal Amount as of the Maturity Date is zero, no amounts will be payable on the Maturity Date.

(b) *Redemption pursuant to §5[in the case of Option I the following applies: [(6)]] [in the case of Option II and Option V the following applies: [(7)]]], § 6(9) or §[in the case of Option I and Option II the following applies: [9]][in the case of Option V the following applies: [12]]*

The Early Redemption Amount in respect of each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount shall be an amount in the Specified Currency (rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) and which shall not be less than zero) calculated by the Calculation Agent in its sole and absolute discretion equal to the Outstanding Principal Amount as of the due date for redemption less Early Redemption Unwind Costs.

(c) *Auction Settlement*

If Auction Settlement is specified in the applicable Final Terms, Condition § 6(1) (*Auction Settlement*) shall be amended by the deletion of the words “redeem all but not some only of the Securities, each principal amount of Securities equal to the Calculation Amount being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date,” therein and the substitution of the following therefor:

“:

- (a) if immediately following the relevant Credit Event Determination Date the Outstanding Principal Amount is greater than zero, redeem each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount in part, by payment of the Credit Event Redemption Amount(s) on the Credit Event Redemption Date; or
- (b) if immediately following the relevant Credit Event Determination Date the Outstanding Principal Amount is equal to zero, redeem each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount in whole, by payment of the Credit Event Redemption Amount(s) on the Credit Event Redemption Date,”.

(d) *Cash Settlement*

If Cash Settlement is specified in the applicable Final Terms or if § 6(1)(A) applies, § 6(2) (*Cash Settlement*) shall be amended by the deletion of the words “redeem all but not some only of the Securities, each principal amount of Securities equal to the Calculation Amount being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date” therein and the substitution of the following therefor:

“:

- (a) if immediately following the relevant Credit Event Determination Date the Outstanding Principal Amount is greater than zero, redeem each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount in part, by payment of the Credit Event Redemption Amount(s) on the Credit Event Redemption Date; or
- (b) if immediately following the relevant Credit Event Determination Date the Outstanding Principal Amount is equal to zero, redeem each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount in whole, by payment of the Credit Event Redemption Amount(s) on the Credit Event Redemption Date.”.

(e) *Credit Event Redemption Amount*

Each Credit Event Redemption Amount (if any) and the related Final Price or Auction Final Price, as applicable, shall be calculated in accordance with § 6(10) (*Applicable Definitions*) or that published, as applicable, in respect of the relevant Reference Entity in respect of which the relevant Credit Event Determination Date has occurred.

(f) *Outstanding Principal Amount Reduction*

If a Credit Event Determination Date occurs with respect to a Reference Entity the Calculation Agent shall on the relevant Credit Event Determination Date reduce the Outstanding Principal Amount by an amount equal to the sum of the Credit Event Reduction Amount in respect of such Reference Entity.

(g) *Multiple Credit Event Determination Dates*

A Credit Event Determination Date may occur more than once except that, subject as provided in § 6(11) and the definitions of Credit Event Notice and Credit Event Determination Date in § 6(10), a Credit Event Notice (if applicable) may only be delivered on one occasion and a Credit Event Determination Date may occur once only, with respect to any Reference Entity (unless subsequent to the occurrence of a Credit Event Determination Date with respect to any Reference Entity, that Reference Entity becomes the Successor to one or more other Reference Entities in respect of which a Credit Event Determination Date has not occurred, in which case a Credit Event Determination Date may occur again).

(h) *Accrual of Interest*

In the case of interest-bearing Securities:

- (i) § 5[(6)]/[(7)] shall be amended by the deletion of the words “together (if applicable) with interest accrued to (but excluding) the date of redemption” therein.
- (ii) § [9]/[12] shall be amended by the deletion of the words “together with interest accrued to the date of repayment” therein.

- (iii) In the event that the Securities are redeemed pursuant to § 5[(6)]/(7), § 6(9) or § 9/[12], no interest will be payable in respect of the Securities in respect of which the relevant Interest Payment Date has not occurred on or prior to the date fixed for such redemption, Provided That if the date fixed for such redemption falls prior to the first Interest Payment Date, no interest shall be payable in respect of the Securities.

For the avoidance of doubt, in the event that the Securities are redeemed at a time when the Outstanding Principal Amount is equal to zero, no interest will be payable in respect of the Securities.

(i) *Interpretation*

Each reference in the Terms and Conditions of the Securities to “each principal amount of Securities equal to the Calculation Amount” shall be deemed to be to “each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount”.

In the event of any inconsistency between this §6(19) and any other provision of §6, the provisions of this §6(19) will prevail. No date under this §6(19) will be subject to adjustment in accordance with any Credit Business Day Convention.

(j) *Definitions*

“**Credit Event Redemption Amount**” means an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

“A” is the Credit Event Reduction Amount in respect of the relevant Reference Entity;

“B” is the Final Price or, if Auction Settlement is specified in the applicable Final Terms and § 6(1)(A) does not apply, the Auction Final Price; and

“C” is (i) if “Unwind Costs” is specified as applicable in the applicable Final Terms, Unwind Costs or (ii) if “Unwind Costs” is specified as not applicable in the applicable Final Terms, zero,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

“**Credit Event Reduction Amount**” means, in respect of a Reference Entity, an amount in the Specified Currency rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent in its sole and absolute discretion equal to the product of (a) the Calculation Amount and (b) the Weighting in respect of such Reference Entity.

“**Interest Amount**” means, in respect of each principal amount of Securities equal to the Calculation Amount and an Interest Period, an amount in the Specified Currency rounded down to the nearest sub-unit of the relevant Specified Currency (with half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention) calculated by the Calculation Agent in its sole and absolute discretion equal to the product of (a) the Outstanding Principal Amount as of the last day of such Interest Period (b) the Rate of Interest and (c) the Day Count Fraction in respect of such Interest Period.

“**Interest Payment Date**” means, subject as provided in §3[(3)]/(9), § 6(4), § 6(5) and § 6(6), as applicable, each date specified as such in the applicable Final Terms.

“**Outstanding Principal Amount**” means the Calculation Amount, subject to reduction in accordance with paragraph (f) above and as provided in § 6(14)(b).

“**Unwind Costs**” means an amount (which may be positive, negative or zero) determined by the Calculation Agent equal to the sum of (without duplication):

- (a) the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer (as applicable zero or expressed as a positive amount); and
- (b) any gains realised by the Issuer (as applicable zero or expressed as a negative amount),

in either case in connection with the redemption of the Securities (whether in whole or in part) and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each principal amount of Securities which as of the Issue Date had a principal amount equal to the Calculation Amount.

“**Quotation Amount**” means the Credit Event Reduction Amount in respect of the relevant Reference Entity (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).

“**Valuation Date**” means any Business Day selected by the Calculation Agent in its sole and absolute discretion falling within the period from (but excluding) (a) if Cash Settlement is the applicable Settlement Method, the Credit Event Determination Date or (b) if Cash Settlement is the applicable Fallback Method, (i) if § 6(1)(x) applies, the earlier to occur of the Calculation Agent No Auction Determination Date, the No Auction Announcement Date, or the Auction Cut-Off Date or the Auction Cancellation Date or (ii) if § 6(1)(y) applies, the Credit Event Determination Date, in any such case to (and including) the 140th Business Day following such date.

“**Weighting**” means, with respect to a Reference Entity and subject as provided in the definition of “Successor” above, (a) the Weighting Percentage or, if prior to the occurrence of a Credit Event Determination Date with respect to such Reference Entity, such Reference Entity becomes a Successor to another Reference Entity, (b) the product of (i) the Weighting Percentage and (ii) the number of Reference Entities in respect of which such Reference Entity is a Successor.

- (k) *Credit Event Notice after Restructuring*

§ 6(11) shall be deleted and the following substituted therefor:

“(11) *Credit Event Notice after Restructuring*

If § 6(11) is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring:

- (a) the Calculation Agent may deliver a Credit Event Notice with respect to such Restructuring in respect of an amount (the “**Partial Credit Event Reduction Amount**”) that is less than the Credit Event Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring immediately prior to the delivery of such Credit Event Notice, provided that if the Credit Event Notice does not specify a Partial Credit Event Reduction Amount, the Credit Event Notice will be deemed to apply to the full relevant Credit Event Reduction Amount. In such circumstances the provisions of § 6 shall be deemed to apply to the Partial Credit Event Reduction Amount only.
- (b) For the avoidance of doubt (i) the Outstanding Principal Amount in respect of each principal amount of Securities equal to the Calculation Amount shall only be reduced by the Partial Credit Event Reduction Amount and interest shall accrue on that Outstanding

Principal Amount as provided in herein (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (ii) the previous Credit Event Reduction Amount in respect of the Reference Entity that was the subject of the Restructuring shall be reduced by the Partial Credit Event Reduction Amount and § 6 and related provisions shall apply to that reduced Credit Event Reduction Amount in the event that subsequent Credit Event Notices are delivered in respect of that Reference Entity and (iii) once a Credit Event Notice with respect to a Restructuring has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring.”.

(20) *Zero Recovery Single Name Securities*

If Zero Recovery Single Name Securities is specified as applicable in the applicable Final Terms, § 6(1) (*Auction Settlement*) shall be deleted in its entirety and replaced with the following:

*"(1) Cancellation of Credit Linked Securities*

If a Credit Event Determination Date occurs, the Securities will be cancelled forthwith and the Issuer's obligations in respect of the Securities will be immediately discharged and the Issuer will have no further liability in respect thereof.

***If a Credit Event Determination Date occurs and the Securities are cancelled forthwith in accordance with this § 6(1) no amounts will be payable to Securityholders in this respect and the Issuer's obligations in respect of the Securities will be discharged and the Issuer will have no further liability in respect thereof."***

”

TO THE EXTENT THAT THERE IS ANY INCONSISTENCY BETWEEN (A) ANY STATEMENT IN THIS SUPPLEMENT AND (B) ANY STATEMENT IN, OR INCORPORATED BY REFERENCE, IN THE PROSPECTUS, THE STATEMENTS IN (A) ABOVE SHALL PREVAIL.