

BASE PROSPECTUS

Dated: 18 September 2023

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.**

*(incorporated with limited liability in the Republic of Italy)*

**MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.**

*(a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg, with registered office at 4, Boulevard Joseph II, L-1840 Luxembourg and duly registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, Luxembourg) under number B112885)*

**MB FUNDING LUX S.A.**

*(a public limited liability company (société anonyme) incorporated under the laws of Luxembourg, with registered office at 6, Rue Eugène Ruppert, L-2453 Luxembourg and duly registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, Luxembourg) under number B209165)*

**Structured Note Issuance Programme**

**guaranteed in the case of Notes issued by Mediobanca International (Luxembourg) S.A. and MB Funding Lux S.A.**

by



MEDIOBANCA

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.**

*Under the Structured Note Issuance Programme (the "**Programme**") described in this Base Prospectus (as defined below), each of Mediobanca - Banca di Credito Finanziario S.p.A. ("**Mediobanca**"), Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**") and MB Funding Lux S.A. ("**MBFL**") (each an "**Issuer**" and together the "**Issuers**") may, from time to time, issue notes ("**Notes**"), subject in each case to compliance with all relevant laws, regulations and directives.*

*The payment of all amounts due and the performance of any non-cash delivery obligations in respect of any Notes issued by Mediobanca International and MBFL will be unconditionally and irrevocably guaranteed by Mediobanca (in such capacity, the "**Guarantor**") under, respectively, a deed of guarantee and subject to the limitations thereof executed by the Guarantor and dated 18 September 2023 (the "**Mediobanca International Deed of Guarantee**") and a deed of guarantee and subject to the limitations thereof executed by the Guarantor and dated 18 September 2023 (the "**MBFL Deed of Guarantee**").*

*The Notes may be either Secured Notes (which may only be issued by MBFL) or Unsecured Notes, as specified in the applicable Final Terms. If the Notes are Secured Notes, as specified in the applicable Final Terms, in order to secure its obligations under the Notes, MBFL will grant to BNP Paribas Trust Corporation UK Limited, as security trustee (the “**Security Trustee**”) on behalf of holders of Secured Notes, security over certain collateral (the “**Collateral Assets**”), as well as its rights in respect of certain agreements that MBFL will enter into in relation to the Secured Notes. If the Notes are Unsecured Notes such security will not be granted.*

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see “Risk Factors” beginning on page 32.**

*This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under Regulation (EU) 2017/1129 as amended (the “**Prospectus Regulation**”). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of each of the Issuers nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU, as amended (the “**MiFID II**”) and/or which are to be offered to the public in any Member State of the European Economic Area (the “**EEA**”). Investors should make their own assessment as to the suitability of investing in the Notes.*

*This Base Prospectus is valid for a period of twelve months from the date hereof in relation to Notes which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public, in any Member State of the European Economic Area other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. For the avoidance of doubt, each of the Issuers shall have no obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy when this Base Prospectus is no longer valid. This Base Prospectus comprises three base prospectuses (one for each Issuer, each of which referred to herein as the “**Base Prospectus**”) for the purposes of Article 8 of the Prospectus Regulation. The validity of this Base Prospectus ends upon expiration on 18 September 2024.*

*Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for Notes issued under the Programme within twelve months after the date hereof to be admitted to the Official List of Euronext Dublin (the “**Official List**”) and trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II. Application may also be made for certain Notes issued under the Programme to the Luxembourg Stock Exchange to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. Application may also be made for certain Notes issued under the Programme to Euronext to be listed and/or admitted to trading on Euronext Paris (“**Euronext Paris**”). The regulated market of Euronext Paris is a regulated market for the purposes of MiFID II. The Notes may also be admitted to trading (i) on the multilateral trading facility of securitised derivatives financial instruments, organised and managed by Borsa Italiana S.p.A. (the “**SeDeX**”), (ii) on the multilateral trading facility of EuroTLX managed by Borsa Italiana S.p.A. (“**EuroTLX**”) and (iii) on the multilateral trading facility of Euronext Access Paris operated by Euronext Paris (“**Euronext Access Paris**”),*

*being understood that the admission to trading on SeDeX, EuroTLX or Euronext Access Paris and/or any other multilateral trading facilities will not be done under the Prospectus Regulation passporting regime. The applicable Final Terms will specify whether or not application will be made for the Notes to be listed and/or admitted to trading on Euronext Dublin and/or the Luxembourg Stock Exchange and/or Euronext Paris and/or SeDeX and/or EuroTLX and/or Euronext Access Paris.*

*The Programme provides that Notes may be listed or admitted to trading (as the case may be) on such other or further stock exchange(s) or market(s) as may be agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer (as defined in "Plan of Distribution"). Unlisted Notes or Notes not admitted to trading on any market may also be issued.*

*The Central Bank may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Base Prospectus; and (ii) a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation (an "**Attestation Certificate**"). The language of the prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.*

*Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes which are applicable to each Tranche (as defined below) of Notes will be set out in the final terms relating to the Notes (the "**Final Terms**") which, with respect to Notes to be listed on the Official List of Euronext Dublin, will be delivered to the Central Bank and, with respect to Notes to be listed on any other or further Stock Exchange, will be delivered to the relevant Stock Exchange.*

*The base terms and conditions of the Notes to be issued under the Programme (the "**Base Terms and Conditions**" or the "**Base Conditions**") will be completed by the relevant product specific terms and conditions applying to a particular type of Notes as set out in the applicable Chapters below (the "**Specific Terms and Conditions**" or the "**Specific Conditions**" and together with the Base Terms and Conditions, the "**Terms and Conditions of the Notes**" or the "**Conditions**"). The Terms and Conditions of the Notes to be issued under the Programme will be completed by the Final Terms.*

*The Final Terms may specify that (a) Charged Agreement/Collateral Arrangements apply to the Secured Notes or (b) Collateral Arrangements Only apply to the Secured Notes. In the case of the Charged Agreement/Collateral Arrangements, the Final Terms will specify details of the Charged Agreement(s) under which the MBFL and the specified Counterparty will have payment and/or delivery obligations from time to time and this may lead to adjustments to the Collateral Assets from time to time. The Charged Agreement(s) may comprise a Transfer Agreement and a Credit Support Document specified in the Final Terms. In the case of Collateral Arrangements*

*Only, MBFL may have the right or obligation to adjust the Collateral Assets from time to time but there will be no Charged Agreement unless otherwise specified in the Final Terms.*

*Notes issued by MBFL issued under the Programme will have a denomination of at least EUR 100,000 (or, where the Notes issued by MBFL are denominated in a currency other than euro, the equivalent amount in such other currency).*

*The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will be offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act. The Notes will be in bearer form and as such are subject to certain U.S. tax law requirements.*

*Amounts payable under the Notes or assets deliverable under the Notes may be calculated by reference to EURIBOR, SONIA, SOFR, €STR, SARON or CMS which are respectively provided by the European Money Markets Institute ("EMMI") for EURIBOR, the Bank of England for SONIA, the Federal Reserve Bank of New York for SOFR, the European Central Bank for €STR, SIX Swiss Exchange AG for SARON and ICE Benchmark Administration Limited ("ICE") for CMS. At the date of this Base Prospectus, EMMI has been authorised as a regulated benchmark administrator pursuant to Article 34 of Regulation (EU) 2016/1011 (the "EU BMR") which forms part of the domestic law in the United Kingdom by virtue of the European Union (Withdrawal Act) 2018 (the "UK BMR") (together the "BMR") and appears on (i) the public register of administrators established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the EU BMR or (ii) the register of administrators and benchmarks established and maintained by the Financial Conduct Authority ("FCA") pursuant to Article 36 of the UK BMR. As at the date of this Base Prospectus SARON is provided by SIX Swiss Exchange AG and is endorsed for use in the European Union by SIX Financial Information Nordic AB. As at the date of this Base Prospectus, SIX Financial Information Nordic AB appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU BMR. As at the date of this Base Prospectus, ICE (as administrator of CMS), the Bank of England (as administrator of SONIA), the Federal Reserve Bank of New York (as administrator of SOFR), and the European Central Bank (as administrator of €STR) do not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU BMR. As far the Issuers are aware, the transitional provisions in Article 51 of the EU BMR apply, such that ICE (as administrator of CMS) is not currently required to obtain authorization/registration (or, if located outside the European Union, recognition, endorsement or equivalence). As far as the Issuer is aware, SONIA, SOFR and €STR do not fall within the scope of the EU BMR by virtue of Article 2 of that Regulation.*

*Amounts payable under the Notes or assets deliverable under the Notes may also be determined by reference to an index or a combination of indices (other than EURIBOR, SONIA, SOFR, €STR, SARON or CMS). Any such index may constitute a benchmark for the purposes of the BMR. If any such index does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in (i) the register of administrators and benchmarks established and maintained by ESMA*

*pursuant to Article 36 of the EU BMR or (ii) the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK BMR. Not every index will fall within the scope of the EU BMR or the UK BMR. Furthermore, transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator under the EU BMR or the UK BMR is a matter of public record and, save where required by applicable law, the relevant Issuer does not intend to update the applicable Final Terms to reflect any change in the registration status of the administrator.*

*Arranger of the Programme*

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.**

*Mandated Dealer*

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.**

## IMPORTANT NOTICES

*This document constitutes a Base Prospectus for each Issuer for the purposes of Article 8 of the Prospectus Regulation.*

*Each of the Issuers and the Guarantor accepts responsibility for the information contained in this document and, to the best of the knowledge of each of the Issuers and the Guarantor, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Each of the Issuers and the Guarantor, having made all reasonable enquiries, confirms that (i) this Base Prospectus contains all information with respect to the Issuers, the Guarantor, the Guarantor and its subsidiaries taken as a whole (the "**Group**" or the "**Mediobanca Banking Group**" or the "**Mediobanca Group**"), the Notes, the Mediobanca International Deed of Guarantee and the MBFL Deed of Guarantee which is material in the context of the issue and offering of Notes, (ii) the statements contained in this Base Prospectus relating to the Issuers, the Guarantor and the Group are in every material respect true and accurate and not misleading, the opinions and intentions expressed in this Base Prospectus with regard to the Issuers, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iii) there are no other facts in relation to the Issuers, the Guarantor, the Group, the Notes or the Mediobanca International Deed of Guarantee and the MBFL Deed of Guarantee the omission of which would, in the context of the issue and offering of Notes, make any statement in this Base Prospectus misleading in any material respect and (iv) all reasonable enquiries have been made by the Issuers and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.*

*This Base Prospectus should be read and construed with any supplement hereto and with any other documents incorporated by reference herein and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms.*

*No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either of the Issuers, the Guarantor or any of the Dealers. Neither the delivery of this Base Prospectus or any Final Terms nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that there has been no adverse change in the financial position of either Issuers or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*Purchases of Notes may be made through a duly appointed Dealer of the relevant Issuer. The relevant Issuer may also offer and sell Notes directly to investors without the involvement of any Dealer.*

*The Issuers and the Guarantor will enter into a Dealer Agreement with the Mandated Dealer (as defined in this Base Prospectus) in connection with the issue of Notes for the purpose of the distribution of the Notes to prospective investors. Pursuant to the terms of the Dealer Agreement, the relevant Issuer(s) may appoint one or more Dealer(s) under the Programme to subscribe or procure subscribers for all or part of the Notes of the relevant Series. See the section on "Plan of Distribution" in this Base Prospectus for further details.*

*This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of either the Issuer, the Guarantor or any of the Dealers to subscribe for, or purchase, any Notes.*

*The distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. The Issuers and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. No Notes may be offered or sold, directly or indirectly to the public, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus, any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, the Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements.*

*This Base Prospectus has been prepared by the Issuers and the Guarantor for use in connection with the offer and sale of Notes in reliance upon Regulation S of the Securities Act outside the United States to non-U.S. persons or in transactions otherwise exempt from registration. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.*

*The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.*

*For a description of additional restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including Italy), the United Kingdom and other jurisdictions, see "Plan of Distribution".*

*The Dealers, PricewaterhouseCoopers S.p.A., as auditors to Mediobanca for the year ended on 30 June 2021, PricewaterhouseCoopers société coopérative, as auditors to MBFL and Mediobanca International for the year ended on 30 June 2021, Ernst & Young S.p.A., as auditors to Mediobanca and Ernst & Young, Société Anonyme as auditors to MBFL and Mediobanca International for the year ended on 30 June 2022, have not separately verified the information contained in this Base Prospectus. None of the Dealers makes any representation express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information*

*in this Base Prospectus. Neither this Base Prospectus nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either of the Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any financial statements should purchase any Notes.*

*Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.*

*By investing in the Notes each investor represents that:*

- (a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the relevant Issuer or the Dealers as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the relevant Issuer or the Dealers shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.*
- (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.*
- (c) **Status of Parties.** Neither the relevant Issuer nor the Dealers is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.*



## STABILISATION

*In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) in accordance with all applicable laws and rules.*

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*Notes may be issued on a continuous basis in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes, as the case may be, of that Series. Each Series may be issued in tranches (each a "**Tranche**") on different issue dates. The specific terms of each Tranche (which save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the relevant Final Terms, the form of which is set out in Chapter 2 Part 2 "General Form of Final Terms for Notes" below and which will include, depending on the type of Notes that is being issued, the terms applicable to such form of Notes as are set out in the applicable Chapters below.*

**IMPORTANT – EEA RETAIL INVESTORS** *If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU, (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

**IMPORTANT - UK RETAIL INVESTORS** – *If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client,*

as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it form part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** The Final Terms in respect of any Notes will include a legend entitled "EEA MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the product governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

**UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET** The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending such Notes (a "**Distributor**") should take into consideration the target market assessment; however, a distributor subject to Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

#### **Notes issued as Green Bonds, Social Bonds, or Sustainability Bonds**

None of the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes issued as Green Bonds, Social Bonds, or Sustainability Bonds or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such “green”,

*“sustainable”, “social” or similar labels. None of the Dealers is responsible for the use of proceeds for any Notes issued as Green Bonds, Social Bonds, or Sustainability Bonds, nor the impact or monitoring of such use of proceeds. No representation or assurance is given by the Dealers as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds, Social Bonds, or Sustainability Bonds, nor is any such opinion or certification a recommendation by any Dealer to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated “green”, “sustainable”, “social” or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes. No representation or assurance is given by the Dealers as to the suitability or reliability of the “Mediobanca Green and Sustainable Bond Framework”. For the avoidance of doubt, the “Mediobanca Green and Sustainable Bond Framework” is not incorporated in and/or does not form part of this Base Prospectus.*

*In this Base Prospectus, unless otherwise specified or the context otherwise requires: references to "**Member State**" are references to Member States of the European Economic Area, references to "\$", "U.S.\$", "USD" and "US Dollars" are to the lawful currency of the United States of America; references to "CHF" and "Swiss Francs" are to the lawful currency of Switzerland; references to "**Euro**" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended; references to "£", "**GBP**" and "**Pounds Sterling**" are to the lawful currency of the United Kingdom; and references to "**Yen**" are to the lawful currency of Japan.*

**IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES WHERE THERE IS NO EXEMPTION FROM THE OBLIGATION UNDER THE PROSPECTUS REGULATION TO PUBLISH A PROSPECTUS**

**Public Offers of Notes in the European Economic Area or in the UK**

Certain Tranches of Notes with a denomination of less than EUR 100,000 (or its equivalent in any other currency) may, subject as provided below, be offered in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to in this Base Prospectus as a "**Public Offer**". Subject as provided below, this Base Prospectus has been prepared on a basis that permits Public Offers of Notes in Member States of the European Economic Area. Any person making or intending to make a Public Offer of Notes in any Member State of the European Economic Area (each, a "**Relevant Member State**") may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Regulation, provided that the Issuer has consented to the use of this Base Prospectus in connection with such offer as provided under "Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)" and the conditions attached to that consent are complied with by the person making the Public Offer of such Notes.

Notes issued by MBFL issued under the Programme will not be offered by way of a Public Offer.

The Issuers have requested the Central Bank to provide a certificate of approval in accordance with Article 25 of the Prospectus Regulation (a "**passport**") in relation to the passporting of the Base Prospectus to the competent authorities of Luxembourg, France and Republic of Italy (the "**Host Member States**"). Even though the Issuers have elected (or will elect) to passport this Base Prospectus into the Host Member States, it does not mean that it will choose to make any Public Offer in the Host Member States. Investors should refer to the Final Terms for any issue of Notes to see whether the Issuer has elected to make a public offer of Notes in either the Republic of Ireland or a Host Member State (each a "**Public Offer Jurisdiction**").

Each Issuer accepts responsibility in the Public Offer Jurisdictions for which it has given consent referred to herein for the content of this Base Prospectus in relation to any person (an "**Investor**") to whom an offer of any Notes is made by any financial intermediary to whom that Issuer has given its consent to use this Base Prospectus (such financial intermediary, an "**Authorised Offeror**"), where the offer is made during the period for which that consent is given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, the Issuers do not have any responsibility for any of the actions of an Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

This Base Prospectus has not been approved by the UK Financial Conduct Authority (the "**FCA**") and has not been prepared on a basis that permits a Public Offer (within the meaning of the UK Prospectus Regulation) in the UK. The expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of "retained EU law", as defined in the EUWA.

### ***Consent given in accordance with Article 5.1 of the Prospectus Regulation (Retail Cascades)***

*Any offer made without the consent of the relevant Issuer or the Guarantor (as applicable) is unauthorised and neither the relevant Issuer nor the Guarantor (as applicable), nor, for the avoidance of doubt, any of the Dealers accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.*

*If, in the context of a Public Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Public Offer and, if so, who that person is.*

*If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.*

### ***Consent to the use of this Base Prospectus***

#### ***Common conditions to Consent***

*The conditions to the consent of the Issuers and the Guarantor are (in addition to the conditions described in either sub-paragraph (a) (Specific Consent) or sub-paragraph (b) (General Consent) under "Specific Consent and General Consent" below) that such consent:*

- (i) is only valid in respect of the relevant Tranche of Notes;*
- (ii) is only valid during the Offer Period specified in the applicable Final Terms; and*
- (iii) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes in such of the Public Offer Jurisdictions as are specified in the applicable Final Terms.*

*The consent referred to above relates to Public Offers occurring within twelve months from the date of this Base Prospectus.*

#### ***Specific Consent and General Consent***

*Subject to the conditions set out above under "Common Conditions to Consent", each of the Issuers and the Guarantor consents to the use of this Base Prospectus in connection with a Public Offer of Notes in any Public Offer Jurisdiction by:*

- (a) Specific Consent:*
  - (i) the Dealers specified in the relevant Final Terms;*
  - (ii) any financial intermediaries specified in the applicable Final Terms; and*

(iii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the website of the Issuers (<https://mediobanca.com>) and identified as an Authorised Offeror in respect of the relevant Public Offer; and

(b) General Consent:

if General Consent is specified in the relevant Final Terms as applicable, any other financial intermediary which:

(i) is authorised to make such offers under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, including under any applicable implementing measure in each relevant jurisdiction ("**MiFID II**"); and

(ii) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the "**Acceptance Statement**"):

"We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the "**Notes**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by [ISSUER] (the "**Issuer**") [and [GUARANTOR] (the "**Guarantor**")].

In consideration of the Issuer [and the Guarantor] offering to grant their consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [insert name(s) of relevant Public Offer Jurisdiction(s)] during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), we accept the offer by the Issuer [and Guarantor]. We confirm that we are authorised under MiFID II to make, and are using the Base Prospectus in connection with, the Public Offer accordingly.

Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus."

Any financial intermediary falling within this sub-paragraph (b) who wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period specified in the applicable Final Terms, to publish a duly completed Acceptance Statement on its website.

**Arrangements between an Investor and the Authorised Offeror who will distribute the Notes**

Neither the Issuers nor the Guarantor (nor, for the avoidance of doubt, any of the Dealers) has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

**AN INVESTOR INTENDING TO ACQUIRE OR SUBSCRIBE OR ACQUIRING OR SUBSCRIBING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN**

*ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS. NEITHER THE ISSUERS NOR THE GUARANTOR WILL BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUERS, THE GUARANTOR AND THE DEALERS HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.*

*IN THE EVENT OF AN OFFER BEING MADE BY A FINANCIAL INTERMEDIARY, SUCH FINANCIAL INTERMEDIARY WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE OFFER AT THE TIME THE OFFER IS MADE.*

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## GENERAL DESCRIPTION OF THE STRUCTURED NOTE ISSUANCE PROGRAMME

*The following is a general description of the Programme for the purposes of Article 25.1(b) of Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation. The following overview does not purport to be complete and is qualified by the remainder of this document and, in relation to the terms and conditions of any particular Series (as defined below in the "Terms and Conditions") of Notes, the applicable Final Terms. Subject as provided in the Terms and Conditions of the Notes as applicable, any of the following (including, without limitation, the type of Notes which may be issued pursuant to the Programme) may be varied or supplemented as agreed between the Issuers, the relevant Dealer(s) and the Fiscal Agent (if applicable). Words and expressions defined in the sections entitled "Forms of the Notes" and "Terms and Conditions" shall have the same meaning in this overview:*

**Issuers:** Mediobanca – Banca di Credito Finanziario S.p.A., Mediobanca International (Luxembourg) S.A. and MB Funding Lux S.A.

**Mediobanca - Banca di Credito Finanziario S.p.A.:** Mediobanca was established on 10 April 1946 as a medium-term credit granting institution in Italy. In 1956 Mediobanca's shares were admitted to the Italian Stock Exchange and since then its business has expanded both nationally and internationally.

Mediobanca is registered at the Companies' Registry of the Chamber of Commerce of Milan Monza Brianza Lodi, Italy under registration number 00714490158. Mediobanca's registered office is at Piazzetta E. Cuccia 1, 20121, Milan, Italy, telephone number (+39) 0288291.

Mediobanca holds a banking license from the Bank of Italy authorising it to carry on all permitted types of banking activities in Italy.

Mediobanca is a bank organised and existing under the laws of Italy, carrying out a wide range of banking, financial and related activities throughout Italy.

As at the date hereof, Mediobanca's issued share capital totals Euro 444,169,467.5, represented by 849,257,474 registered shares.

The Board of Directors of Mediobanca is responsible for the ordinary and extraordinary management of Mediobanca.

Mediobanca is the parent company of the "Gruppo Bancario Mediobanca" registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Banking Act under

number 10631 (the “**Mediobanca Group**” or the “**Mediobanca Banking Group**” or the “**Group**”).

**Mediobanca International  
(Luxembourg) S.A.:**

Mediobanca International has the form of public limited liability company (a *société anonyme*) incorporated under Luxembourg law and registered office in Luxembourg. On 15 December 2005 the Luxembourg Minister of the Treasury and the Budget, on the recommendation of the CSSF, granted Mediobanca International a full banking license pursuant to which its operations include raising funds in the international markets and lending, consistent with Mediobanca International's articles of association approved by the shareholders in the general meeting held on 21 December 2005.

Mediobanca International is registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under registration number B 112885. Mediobanca International's registered office is at 4 Boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of Luxembourg.

As at the date hereof, Mediobanca International's issued and authorised fully paid share capital totals Euro 10,000,000 represented by 1,000,000 registered shares of Euro 10 par value.

The Board of Directors of Mediobanca International is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank's accounts and interim statements. Day-to-day management is entrusted to two authorised managers.

Mediobanca International is part of the Mediobanca Banking Group.

**MB Funding Lux S.A.:**

MBFL was incorporated on 13 September 2016 under the laws of the Grand Duchy of Luxembourg as a public limited liability company (*société anonyme*) and was originally subject as an unregulated securitisation company (*société de titrisation non-agrèée*) to the provisions of the Luxembourg act dated 22 March 2004 on securitisation, as amended (the “**Securitisation Act 2004**”). Further to an amendment of the articles of incorporation of MBFL on 24 April 2017, MBFL is no longer subject as an unregulated securitisation company (*société de titrisation*) to the provisions of the Securitisation Act 2004. MBFL has been incorporated for an unlimited duration and is registered with the Luxembourg trade and companies register

(*Registre de commerce et des sociétés, Luxembourg*) under number B209165. MBFL has been established as a special purpose vehicle to offer securities.

The registered office of MBFL is at 6, Rue Eugène Ruppert, L-2453 Luxembourg. The telephone number of MBFL is +352 264 491 and the fax number of MBFL is +352 264 49167.

As at the date hereof the share capital of MBFL is Euro 831,000 divided into 831,000 ordinary shares having a nominal value of Euro 1.0 each (the **MBFL Shares**) all (100%) of which are fully paid up. All issued MBFL Shares are held by Mediobanca.

MBFL is part of the Mediobanca Banking Group.

**Guarantor:** Mediobanca - Banca di Credito Finanziario S.p.A. (with respect to Notes issued by Mediobanca International and by MBFL)

**Description:** Structured Note Issuance Programme.

**Arranger:** Mediobanca - Banca di Credito Finanziario S.p.A.

**Dealers:** Mediobanca - Banca di Credito Finanziario S.p.A.

Each of the Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of a single Tranche or in respect of the whole Programme.

**Fiscal Agent:** BNP PARIBAS, Luxembourg Branch, will act as Fiscal Agent in respect of the Notes except for Notes in dematerialised form which are deposited directly with Euronext Securities Milan ("**Euronext Securities Milan**", the commercial name of Monte Titoli S.p.A.) and CREST Dematerialised Notes.

**Italian Paying Agent:** Mediobanca – Banca di Credito Finanziario S.p.A. will act as Italian Paying Agent with respect to Notes in dematerialised form deposited directly with Euronext Securities Milan (which role will include the role of Fiscal Agent with respect to such Notes).

Security Trustee (Secured Notes only): BNP Paribas Trust Corporation UK Limited.

Custodian (Secured Notes only): BNP PARIBAS, Luxembourg Branch, or any other Custodian as specified in the applicable Final Terms. The Custodian will be appointed pursuant to the terms of a Custody Agreement.

Account Bank (Secured Notes only): BNP PARIBAS, Luxembourg Branch, or any other Account Bank as specified in the applicable Final Terms. The Account Bank will be appointed pursuant to the terms of an Account Bank Agreement.

**Currencies:** Subject to compliance with all relevant laws, regulations and directives, Notes may be denominated in any currency or currencies as the relevant Issuer, the Guarantor (where applicable), and the relevant Dealer so agree (the **Relevant Currency**) including, without limitation, Australian dollars, Canadian Dollars, Danish kroner, Euro, Hong Kong dollars, Japanese yen, New Zealand dollars, Norwegian krone, South Africa rand, Sterling, Swedish kronor, Swiss francs and U.S. dollars (as specified in the applicable Final Terms). If Dual Currency Notes is specified as being applicable in the Final Terms and the Notes are Cash Settled Notes, the Final Redemption Amount for each such Note shall be paid in a Settlement Currency which is different from the Settlement Currency of the Notes on the Issue Date.

**Denomination:** Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation will be € 1,000 (or where the Notes are denominated in a currency other than euro, the equivalent amount in such other currency).

**Method of Issue:** The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Notes may be issued in Tranches on a continuous basis with no minimum issue size, subject to compliance with all applicable laws, regulations and directives. Further Notes may be issued as part of an existing Series.

**Consolidation of Notes:**

Notes of one series may be consolidated with Notes of another Series, all as described in Base Condition 18 (*Further Issues*) of the Base Terms and Conditions of the Notes.

**Final Terms or Drawdown Prospectus:**

Notes issued under the Programme may be issued either (i) pursuant to this Base Prospectus and the relevant Final Terms or (ii) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Base Terms and Conditions of the Notes as completed by the relevant Specific Terms and Conditions relating to the relevant type of Notes and completed by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.

References in this General Description of the Structured Note Issuance Programme to the "Final Terms" shall, where applicable, be read as references to the Drawdown Prospectus relating to the Notes, as the case may be.

**Form of Notes:**

The Notes may be issued in bearer form only.

If the Notes are represented by one or more Global Notes, the relevant Final Terms will specify whether each Global Note is to be issued in New Global Note or in Classic Global Note form. Each Tranche of Notes will initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, will be deposited on or around the Issue Date: (a) in the case of Notes intended to be issued in Classic Global Note form, with a common depository on behalf of Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system and/or deposited directly with Euronext Securities Milan and/or any other centralised custodian appointed by the Issuers (together, the "**Centralised Custodian**") and (b) in the case of Notes intended to be issued in New Global Note form, with a common safekeeper for Euroclear and/or Clearstream Luxembourg. No interest will be payable in respect of a Temporary Global Note except as described under "*Provisions Relating to the Notes while in Global Form*".

Interests in Temporary Global Notes will be exchangeable for interests in Permanent Global Notes or, if so stated in the relevant Final Terms for Definitive Notes after the date falling 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. If specified in the relevant Final Terms, interests in Permanent Global Notes will be exchangeable for definitive Notes as described under "*Provisions*

*Relating to the Notes while in Global Form*". Definitive Notes will, if interest-bearing, have interest Coupons attached and, if appropriate, a Talon for further Coupons and will, if the principal thereof is repayable by installments, have payment Receipts attached.

If the Notes are issued and held in book-entry form, the Notes will not be represented by paper certificates and the transfer and exchange of Notes will take place exclusively through an electronic book-entry system managed by Euronext Securities Milan or any other Centralised Custodian appointed by the Issuers. Accordingly, all Notes of the same tranche shall be deposited by their owners with an intermediary participant in the relevant Centralised Custodian. The intermediary will in turn deposit the Notes with the Centralised Custodian.

In such circumstances, it will not be possible for a Noteholder to obtain physical delivery of certificates representing the Notes. Notes that are CREST Dematerialised Notes will be issued only in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001 (as amended, modified or re-enacted and such other regulations made under Sections 783, 784(3), 785 and 788 of the Companies Act 2006 as are applicable to the Euroclear Registrar). CREST Dematerialised Notes are participating notes for the purposes of the Uncertificated Securities Regulations and will not be issued in definitive form.

**Issue Price of the Notes:**

Issue Price will be specified in the relevant Final Terms. Notes may be issued at their principal amount or at a discount or premium to their principal amount.

**Type of Notes:**

The Issuer may issue Notes of any kind, including but not limited to, Share Linked Notes, ETI Linked Notes, Debt Linked Notes, Index Linked Notes, Fund Linked Notes, Credit Linked Notes, Inflation Linked Notes, Futures Linked Notes, Commodity Linked Notes, Interest Rate Linked Notes, Currency Linked Notes, ETI Linked Notes and FX Linked Notes. Such Notes may bear interest at a fixed rate, or floating rate or structured rate or a combination of such rates.

The Notes may also be Dual Currency Notes. The Notes may also be Hybrid Notes where the Underlying Reference may be any combination of such indices (or index futures or options contracts), shares, interests in exchange traded instruments, debt instruments (or debt futures or options contracts), commodities, inflation indices,

currencies (or currency futures contracts), funds, futures contracts, underlying interest rates or other asset classes or type.

**Share Linked Notes, Index Linked Notes, Fund Linked Notes, Credit Linked Notes, Commodity Linked Notes, Inflation Linked Notes, Debt Linked Notes, Interest Rate Linked Notes, Currency Linked Notes or FX Linked Notes:**

The Final Terms issued in respect of each issue of Share Linked Notes, Index Linked Notes, Fund Linked Notes, Inflation Linked Notes, Commodity Linked Notes, Debt Linked Notes, Interest Rate Linked Notes, Currency Linked Notes, or FX Linked Notes linked to, as the case may be (i) a share (or basket of shares), (ii) index (or basket of indices), (iii) fund (or basket of funds), (iv) the credit of a specified reference entity (or basket of reference entities), (v) commodity (or basket of commodities), (vi) inflation index (or basket of inflation indices), (vii) debt instruments (or basket of debt instruments), (viii) interest rate or yield (or basket of interest rates or basket of yields), (ix) a currency exchange rate or (x) a foreign exchange rate will specify the basis for calculating the amounts of principal payable, which may be by reference to a share, index, fund level, commodity, debt instrument, interest rate or foreign exchange rate.

**Physical Delivery Notes:**

In the case of Physical Delivery Notes, where “Physical Settlement according to Base Condition 12.1” is specified as applicable in the applicable Final Terms, in order to obtain delivery of the Entitlement the relevant Noteholder (acting through the relevant ESM Accountholder, in case of Italian Dematerialised Notes) must deliver or send by authenticated swift message (confirmed in writing) to the relevant Clearing System(s) with a copy to the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Notes) and the relevant Issuer not later than 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Maturity Date a duly completed physical delivery confirmation notice (a "**Physical Delivery Confirmation Notice**") in the form set out in the Issue and Paying Agency Agreement (copies of which form may be obtained from the relevant Clearing System(s) or the Paying Agents) in accordance with the provisions set out in Base Condition 12.1. If the relevant Note is in definitive form, such Note must be delivered, together with the Physical Delivery Confirmation Notice, to the relevant Issuer and with a copy to the Fiscal Agent.

**Secured Notes:**

In the case of Notes issued by MBFL, such Notes may be either Secured Notes or Unsecured Notes as specified in the applicable Final Terms. Unsecured Notes will not have the benefit of any Security

Interest. For further information on Secured Notes, see *Secured Notes Characteristics* below.

**Interest:**

If so specified in the applicable Final Terms the Notes will pay interest amounts. Such interest amounts (i) will be calculated on the basis of a fixed rate, or will be a Fixed Interest Amount or Broken Amount, if so specified in the Final Terms for that Interest Period and/or (ii) will be calculated on the basis of a floating rate and/or (iii) will be calculated by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Future, Underlying Interest Rate or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms. Interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms and will be calculated in accordance with the relevant formula specified in the relevant Final Terms.

**Interest Periods and Interest Rates for the Notes:**

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period.

**Terms and Conditions of the Notes:**

The applicable terms of the Notes will comprise:

- the "Base Conditions", commencing on page 144 of this Base Prospectus;
- where the Notes are linked to one or more Underlying Reference, the terms and conditions relating to such Underlying Reference(s) set out in the "Additional Terms and Conditions" relating to the relevant Underlying Reference(s), which are specified to be applicable in the relevant Final Terms;
- the "interest" terms (if any) of the Notes set forth in the Base Condition 7 (Interest) and Annex 1 (*Additional Terms and Conditions Relating to Formulas*) of this Base Prospectus, which are specified to be applicable in the relevant Final Terms;
- the "autocall" terms (if any) of the Notes set forth in the Base Condition 8.5 (*Automatic Early Redemption*), 8.6 (*Automatic*



*Early Redemption – Automatic Early Settlement Payout Capitalised Call and Put Securities 1*) and Annex 1 (*Additional Terms and Conditions Relating to Formulas*), which are specified to be applicable in the relevant Final Terms;

- the "payout" terms of the Notes set forth in Base Condition 8.2 (*Cash Settlement*), 8.3 (*Physical Settlement*) and Annex 1 (*Additional Terms and Conditions Relating to Formulas*) of this Base Prospectus, which are specified to be applicable in the relevant Final Terms;
- the terms relating to Credit Linked Notes set forth in "Credit Linked Notes Conditions" of this Base Prospectus and Annex 12 (*Additional Terms and Conditions for Credit Linked Notes*) in the case of Credit Linked Notes, which are specified to be applicable in the relevant Final Terms;
- the terms relating to Secured Notes set forth in "*Secured Notes Conditions*", set forth in Annex 13 (*Additional Terms and Conditions for Secured Notes*) of this Base Prospectus, which are specified to be applicable in the relevant Final Terms.

The terms of a Series of Notes are comprised of (i) the Base Conditions, (ii) the Annex relevant to the relevant Underlying References, (iii) the Credit Linked Notes Conditions (in case of Credit Linked Notes), (iv) the Secured Notes Conditions (in case of Secured Notes) and (v) if selected in the applicable Final Terms, the Final Payouts, Interest Rates, Automatic Early Redemption Payouts, Call Redemption and Put Redemption and Entitlements in respect of the Notes selected from Annex 1 (*Additional Terms and Conditions relating to Formulas*) specified in the applicable Final Terms and the related variables specified in the applicable Final Terms.

**Redemption by Installments for the Notes:**

The Final Terms issued in respect of each issue of Notes which are redeemable in two or more installments will set out the date on which, and the amounts in which, such Notes may be redeemed.

**Secured Notes and Unsecured Notes**

The Notes may be either Secured Notes or Unsecured Notes as specified in the applicable Final Terms. Unsecured Notes will not have the benefit of any Security Interest. For further information on Secured Notes, see *Secured Notes Characteristics* below.

**Status of the Notes:**

Unsecured Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank at all times at least *pari passu*, without any preference among themselves, and equally with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for certain mandatory exceptions of applicable law. See Base Condition 2.1 (*Status of the Notes*) of the Base Terms and Conditions of the Notes .

Secured Notes constitute direct, unconditional, unsubordinated and secured obligations of MBFL and will rank at all times *pari passu*, without prejudice among themselves and subject as aforesaid and save for exceptions as may be provided by applicable legislation, at least equally with all other present and future unsecured and unsubordinated obligations of MBFL from time to time outstanding.

**Negative pledge:**

The terms of the Notes do not contain a negative pledge provision.

**Guarantees:**

Under the Mediobanca International Deed of Guarantee and the MBFL Deed of Guarantee, and in accordance with the terms and subject to the limitations thereof, Mediobanca unconditionally and irrevocably guarantees payment of all amounts due and the performance of any non-cash delivery obligations in respect of Notes issued by, respectively, Mediobanca International and/or MBFL. Pursuant to the Mediobanca International Deed of Guarantee and the MBFL Deed of Guarantee, the Guarantor has the right to elect not to deliver or procure the delivery of any entitlement to holders of Notes, but in lieu thereof to pay a cash amount. See also Base Condition 2.2 (*Status of the Guarantees*).

**Status of the Guarantees:**

The payment obligations of the Guarantor under the Mediobanca International Deed of Guarantee and the MBFL Deed of Guarantee constitute – in accordance with the terms and subject to the limitations thereof – direct, unconditional, unsubordinated and unsecured obligations of the Guarantor which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law. See also Base Condition 2.2 (*Status of the Guarantees*) of the Base Terms and Conditions of the Notes. In particular, pursuant to the Mediobanca International Deed of Guarantee and the MBFL Deed of Guarantee, to the extent the Guarantor is incorporated in the Republic

of Italy and to the extent under the applicable law in force at the relevant time a cap to the maximum amount to be guaranteed is required, the Guarantor shall only be liable up to an amount which is the aggregate of 110 per cent. of the aggregate principal amount of any Tranche of the Notes (in each case as specified in the applicable Final Terms) and 110 per cent. of the interest on such Notes accrued but not paid as at any date on which the Guarantor's liability falls to be determined. In addition, pursuant to the Mediobanca International Deed of Guarantee and the MBFL Deed of Guarantee, the Guarantor has also undertaken to issue an additional guarantee in an amount equal to any liability exceeding the maximum amount mentioned above in relation to any Tranche of Notes.

**Optional Redemption:**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed before their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the Noteholders, and if so the terms applicable to such redemption and subject to all relevant legal and regulatory requirements.

**Taxation:**

All payments in respect of Notes shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted and no additional amount shall be payable to any relevant Noteholder in respect of any such tax, duty, withholding or other payment.

**Rating:**

The rating of the Notes, if any, to be issued under the Programme will be specified in the applicable Final Terms.

Whether or not each credit rating applied for in relation to a Series of Notes will be (1) issued by a credit rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"), or (2) issued by a credit rating agency established in the UK and registered under Regulation (EU) No. 1060/2009 on credit rating agencies, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") but is endorsed by a CRA which is established in the European Union and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the European Union but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, EEA regulated investors are restricted from using a rating for regulatory

purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the United Kingdom but is endorsed by a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the United Kingdom which is certified under the UK CRA Regulation. The European Securities and Markets Authority (“ESMA”) is obliged to maintain on its website a list of credit rating agencies registered and certified in accordance with the CRA Regulation, which may be found on the following page: at <http://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

**Governing Law:**

If it is specified in the Final Terms that English law is applicable to the Notes, the Notes and, save as described below, any contractual or non-contractual obligations arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law, save that the status provisions applicable to the Notes and the contractual recognition of bail-in powers provisions, and any non contractual obligations arising out of or in connection with such provisions, shall be governed by, and construed in accordance with, Italian law (if the Notes are issued by Mediobanca) or Luxembourgish law (if the Notes are issued by Mediobanca International or MBFL), as applicable. If it is specified in the Final Terms that Italian law is applicable to the Notes, the Notes will be governed by, and shall be construed in accordance with, Italian law. For the avoidance of doubt, articles 470-3 to 470-19 of the Luxembourg law on commercial companies dated 10 August 1915, as amended from time to time (the “**Luxembourg Company Law**”) shall not apply.

In relation to Secured Notes, the Custody Agreement and the Account Bank Agreement are governed by Luxembourg law. Any Additional Charging Document may be governed by a law other than English law.

**Approval of the Base Prospectus,  
Listing and Admission to Trading:**

The Central Bank of Ireland has approved this document as a base prospectus. Application has also been made for Notes issued under the Programme to be admitted to trading on the regulated market of the Euronext Dublin and to be listed on the Official List of the Euronext Dublin.

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

The Central Bank of Ireland may, at the request of either Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Base Prospectus; and (ii) an Attestation Certificate in accordance with Article 25(1) of the Prospectus Regulation.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the relevant Final Terms which, with respect to Notes to be listed on the Official List of the Euronext Dublin, will be delivered to the Euronext Dublin.

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

**Selling Restrictions:**

See “*Plan of Distribution*”.

**Secured Notes Characteristics:**

See below. The remaining sections only apply in relation to Secured Notes issued by MBFL.

**Security (Secured Notes only):**

MBFL will grant to the Security Trustee the following security to secure its obligations under the Notes and the Charged Agreement(s) in each case, save to the extent the relevant asset or right is charged under an Additional Charging Document:

- (a) A first fixed charge over and a first ranking assignment by way of security of all of MBFL's rights, title and/or interests (the Issuer's Rights) in, to and under the Collateral Assets; and
- (b) a first ranking assignment by way of security of all of the MBFL's Rights under each Charged Agreement(s), each Additional Charged Agreement and the Issuer's Rights under the Agency Agreement in respect of such Notes.

The applicable Final Terms will specify (i) the Charged Agreement(s), being a Transfer Agreement entered into together, if applicable, with a Credit Support Document (ii) any Additional Charged Agreement, and (iii) whether any other security interest will be created under the Security Trust Deed and/or under an Additional Charging Document.

**Charged Agreement(s) (Secured Notes only):**

Where Charged Agreement/Collateral Arrangements are specified as applying in the Final Terms then the Charged Agreement(s) in respect of each Series of Notes will be a transfer agreement entered into between MBFL and the Counterparty and, if applicable, the Credit Support Document, each as described below. The purpose of the transfer agreement may be to allow the relevant Issuer to perform its scheduled obligations under the Notes and in order to collateralise the Counterparty's obligations under the transfer agreement, the transfer agreement may be supplemented by a Credit Support Document. Under the terms of any such Credit Support Document, the Counterparty shall, *inter alia*, deliver Collateral Assets to MBFL, and, as applicable, the relevant Issuer shall re-deliver Collateral Assets to the Counterparty on the basis of the valuation of the existing Collateral Assets and the Notes.

**Collateral Assets (Secured Notes only):**

The collateral under the Charged Agreement(s) may be:

- (a) loans;
- (b) cash;
- (c) bonds or notes listed on a regulated market;
- (d) shares listed on a regulated market;
- (e) shares, units or other interests in a UCITS fund; and/or
- (f) other assets,

as more fully described in the applicable Final Terms.

**Adjustment of Collateral Assets:**

The terms of the Notes may provide that the Collateral Assets may be adjusted in accordance with the terms of Secured Notes Condition 5 (*Adjustment of Collateral Assets*) and/or the Charged Agreement(s).

Such adjustment will be as specified in the applicable Final Terms and/or the Charged Agreement(s) and may be in whole or in part and may be for cash or other assets. Such adjustment will be as specified in the applicable Final Terms and may be in whole or in part and may be for cash or other assets. Such adjustment may involve the Issuer or Counterparty topping up, removing, maintaining and/or substituting Collateral Assets and this may diminish or have an adverse effect on the value of the Collateral Assets in some circumstances.

## **RISK FACTORS**

*The Issuers and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme and the Guarantee. Most of these factors are contingencies which may or may not occur and the Issuers and the Guarantor are not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers and the Guarantor to pay interest, principal or other amounts on or in connection with any Notes or the Guarantee may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or which they may not currently be able to anticipate.*

*Investors should be aware that they may lose the value of their entire investment or part of it, as the case may be.*

*The purchase of Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in this Base Prospectus and as supplemented from time to time.*

*No person has been authorised to give any information or make any representation not contained in or not consistent with the Base Prospectus and/or the Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.*

*Words and expressions defined in “Form of Final Terms” and “Terms and Conditions” or elsewhere in this Base Prospectus have the same meaning in this section. Prospective investors should read the entire Base Prospectus. In this section, “Issuer” refers to Mediobanca and/or to Mediobanca International and/or MBFL as appropriate.*

### ***1. Material Risks that are specific to the Issuers and that may affect the Issuers’ ability to fulfil their obligations under the Notes***

The risks below have been classified into the following categories:

- (A) *Risks related to the business of the Issuer and the Mediobanca Group and to the sector in which they operate;*



(B) *Risks related to the financial situation of the Issuers and of the Mediobanca Group;*

(C) *Risks related to legal and regulatory scenario;*

(A) ***RISKS RELATED TO THE BUSINESS OF THE ISSUER AND THE MEDIOBANCA GROUP AND TO THE SECTOR IN WHICH THEY OPERATE.***

***Systemic risks related to the economic/financial crisis, the impact of the current uncertainties in the macroeconomic scenario, and deriving from the Covid-19 pandemic and Russia/Ukraine conflict***

The operations, earnings capacity and the stability of the sector of both the Issuer and the Mediobanca Group may be influenced by its/their credit standing, the general economic situation of the country of Italy and the entire Eurozone, trends on financial markets and the economic, social and financial consequences generated by the Covid-19 pandemic and the Russia/Ukraine conflict. With reference to financial markets, the solidity, resilience and growth prospects of the economies of the countries in which the Issuer operates in particular will be especially important.

The macroeconomic scenario is currently marked by considerable uncertainty in relation to: (a) the crisis generated by the pandemic, as described in more detail in the following sections; (b) the slowdown in the rate of growth following the recession caused by the pandemic, aggravated by the increase in inflationary pressures; and (c) the Russia/Ukraine conflict, which has caused volatility on financial markets and driven a spiral of inflation, as described in more detail in the following sections.

In relation to point (a) above, the spread of new variants or a return of the virus itself could impact further on the economic, social and financial situation of Italy and thus indirectly on the credit quality, capitalization and profitability of the Issuer which operates primarily on the Italian domestic market. As at 30 June 2022, loan loss provisions amounted to €242.6 million (compared to €248.8 million as at 30 June 2021), while the Group's cost of risk stood at 48 bps (compared with the 52 bps as at 30 June 2021). It should also be noted that as at 30 June 2022, the additional provisions or overlays of the Mediobanca Group had been maintained, in an amount equal to €293.9 million. These overlays have been provided: (i) for sectors particularly exposed to the risks posed by the pandemic scenario (i.e. corporate finance, leasing and factoring) and application of exceptions to contracts or moratoria on mortgage loans and corporate and leasing exposures; and (ii) for the corporate, leasing and factoring loan books.

In relation to point (c) above, the conflict in Ukraine has generated strong tensions on the energy and commodities markets, and in particular has driven sharp increases in the prices of gas, cereals and fertilizers. The Eurozone Harmonized Index of Consumer Prices rose from 1.9% year-over-year ("YoY") at end-June 2021 to 8.6% YoY at end-June 2022 (net of energy components and food commodities, the increase in the HICP was from 0.9% YoY to 3.7% YoY), reaching 9.1% YoY (4.3% YoY) in August as a result of further increases in the cost of natural gas and energy commodities in particular.

The Bank of Italy's surveys of firms' prospects confirm the estimates of rising energy costs, and the relevant trend for production costs to increase as a consequence. In Italy, the average six-monthly inflation figure recorded at

the start of the financial year was 1.0% YoY, which by end-2021 had trebled to 3.0% YoY, and doubled again by end-June 2022 to reach 6.7% YoY.

Although the Italian government has taken steps to find alternative energy suppliers in the Mediterranean basin and Africa, the country remains highly exposed due to its sizeable energy imports from Russia. In this scenario, the prospects for Italian growth continue to be strongly linked to developments in the Russia-Ukraine conflict and to the economic sanctions imposed on Russia in agreement with the allied countries.

Hence, as at the date of this Base Prospectus, the ongoing downward trend in the growth estimates for macroneconomic indicators, such as inflation, employment and private consumption indicators, coupled with the increase in volatility on financial markets, risks creating adverse repercussions on the earnings, capital and financial situation of the Isser and/or on the Group.

### ***Credit and counterparty risk***

The business activities of both Mediobanca and the Group and their earnings and financial solidity depend also on the credit standing of their respective clients and counterparties.

Mediobanca is exposed to the risks traditionally associated with credit activity. Accordingly, breach by its customers of contracts entered into and their own obligations, or the possible failure to provide information or the provisions of incorrect information by them regarding their respective financial and credit situation, could impact negatively on the earnings, capital and/or financial situation of Mediobanca.

The Group's portfolio has no material direct exposures versus the Russian Federation or Ukraine.

As at 30 June 2022, the Mediobanca Group had a gross NPL ratio (i.e. gross non-performing loans as a percentage of gross total customer loans) of 2.5%, compared with 3.2% for the same ratio as at 30 June 2021.

As at 30 June 2022, gross non-performing loans totalled €1,327.3 million (compared to €1,597.1 million as at 30 June 2021), and represent 2.5% of total loans. The reduction is chiefly due to Corporate & Investment Banking, as a result of certain UTP positions exiting non-performing status, and to Consumer Finance, which, compared to the financial period ended on 30 June 2021, has shown exceptionally low default rates (some 30% below pre-Covid levels) despite the stricter forbearance and UTP classification rules. The prudent provisioning policy has continued (the coverage ratio has risen from 64.9% to 71%), which is reflected in the reduction in net NPLs, from €560.2 million to €384.4 million, and now represent under 1% of total loans (down from 1.2% to 0.7%). Net bad debts amounted to €53.5 million, and represent 0.1% of total loans, with a coverage ratio of 87.2%. Non-performing loans do not include the NPLs acquired by the Group and managed by MBCredit Solutions, which during the financial year decreased from €383.7 million to €350.6 million.

With regard to loan concentration, as at 30 June 2022, gross aggregate exposures (including equity investments and those deriving from market risks) to a total of seven exposures were in excess of 10% of the regulatory capital (c.d. "*Patrimonio di Vigilanza di Classe I*") totalled €8.9 billion (€6.7 billion, taking collateral and weightings into account). The seven positions involve one industrial group, one insurance company, and five banking groups.

As at 30 June 2022, moratoria outstanding – recording including those which expired at the end of the financial year but for which repayment resumed in the following months – involved loans in a total amount of €22.4 million (0.1% of total gross loans). The moratoria outstanding regard CheBanca! mortgage loans as to €19.6 million, and SelmaBipiemme Leasing leases as to €2.7 million.

It should also be noted that as at end-June 2022, new loans supported by public guarantee schemes totalled €124 million, the majority of which involved the parent company Mediobanca S.p.A. (a total of four deals with SACE backing were granted under the terms of the “Liquidity” decree, for a total exposure of €86 million). Of the other deals backed by guarantees, €31 million are attributable to CheBanca! (granted to Italian firms and professionals/freelance workers under the “Liquidity” Decree), €2 million to CMB Monaco (which has received government support for eight clients), and €5 million to SelmaBipiemme Leasing (granted to SMEs under the “Liquidity” Decree).

### ***Risks related to the 2023-26 Strategic Plan***

On 24 May 2023, Mediobanca’s Board of Directors approved the guidelines of its 2023-26 Strategic Plan (the “**Strategic Plan**”) – and unveiled it to the financial community on the same date – based on the results achieved in the past four years.

The Strategic Plan contains certain targets to be reached by end-June 2026 (the “**Plan Objectives**”). The Plan Objectives include a growth of the Mediobanca Group in all the segments in which it operates (Wealth Management, Corporate & Investment Banking, Consumer Finance, Insurance, Holding Functions) in terms of (among others) profitable assets, revenues, earnings and profitability.

As at the date of this Base Prospectus, the Plan Objectives and strategic targets were generally confirmed.

As at the date of this Base Prospectus, the Issuers’ capability to implement the actions and to meet the Plan Objectives depends on a number of circumstances, some of which are beyond the Issuers’ control, including, but not limited to, the macroeconomic scenario, which could be compromised by the consequences deriving from the Covid-19 pandemic, the Russia/Ukraine conflict, the changes in the regulatory framework, and the effects of specific actions or concerning future events which the Issuers are only partially able to influence. However, there is no certainty that the actions provided for in the Strategic Plan will result in the benefits expected from implementation of the Plan Objectives; if such benefits fail to materialize, the results expected by the Mediobanca may differ, even materially, from those envisaged in the Strategic Plan.

### ***Market risk***

The Issuers are subject to market risk, defined as the risk of the loss of value of the financial instruments, including sovereign debt securities, held by the Issuers as a result of movements in market variables (including, but not limited, interest rates, stock market prices and/or exchange rates) or other factors that could trigger a deterioration in the capital solidity of the Issuers and/or the Group. Mediobanca calculates the Value at Risk (“**VaR**”) on a daily basis. VaR is a measurement of the market risk associated with a financial asset, of the positions held in its trading book, assuming a disposal period of a single trading day and a confidence level of 99%. The other

sensitivities (known as the “*Greeks*”) are measured in relation to risk factors such as interest rates, share prices, Exchange rates, credit spreads, inflation and volatility. Stress testing versus the main risk factors is also carried out, in order to pick up the impact which significant movements in the main market variables might have and *ad hoc* indicators are implemented to capture risks not measured by VaR.

Such fluctuations may be caused by political, economic and market considerations, the availability and cost of capital, the level and volatility of share and bond prices, the price of commodities, interest rates, credit spreads, the value of currencies and other market indicators, innovations and developments in the field of technology, the availability and cost of credit, inflation, and investors’ perception of and confidence in financial markets.

The financial year ended at 30 June 2022 has been characterized by a generalized increase in volatility in all asset classes due primarily to the effects of the Covid-19 pandemic and to the Russia/Ukraine conflict.

These have been compounded by the supply-side effects of the Russia/Ukraine conflict, which have been felt particularly strongly in Europe. The economic policy reaction in both the United States and Europe, based on support for aggregate demand, resulted in inflationary pressure which initially was considered to be temporary. The level of inflation and the possibility of the phenomenon which had started towards year-end 2021 persisting caused the central banks to take action, resulting in widespread increases in interest rates across the Western world. This drove a material increase in market interest rates and triggered volatility in forward rates. Stock markets reported consistent declines in the second half of the year, while commodity prices continued to remain high and also prone to strong volatility. As the conflict worsened, some breaches of the stop loss and VaR limits were recorded for certain financial instruments held by the Issuer.

The aggregate value-at-risk on the trading book for the year ended on 30 June 2022 ranged from a low of €3.6 million at the start of January 2022 to a high of €11.8 million recorded at the start of May 2022. The average reading of €6.1 million was 46% higher than the previous year’s average (€4.2 million). After the high recorded in May 2022, VaR remained highly volatile during the month of June 2022, reflecting an average reading of €6.2 million.

### ***Operational risk***

Operational risk is defined as the risk of incurring losses as a result of the inadequacy or malfunctioning of procedures, staff and IT systems, human error or external events.

The Issuer is exposed to different types of operational risk. The event types most impacted by operational risk are originated by products sold to clients, commercial practices, the execution of operating processes, and frauds committed from outside the Group.

Although the Mediobanca Group has adopted a system for recording, assessing and monitoring operational risks with a view to preventing and containing them, it should be noted that unpredictable events or events otherwise beyond the control of the Issuers could occur, which could impact negatively on the Issuers’ and the Group’s operating results, activities and earnings, capital and/or financial situation, as well as on their reputation.

The operating losses recorded in the twelve months account for approximately 0.4% of total income. Although no material losses were generated, there was an increase in certain instances (classes) of operational risk, such as outsourcing risk.

Operational risk does not include compliance risk – identified by the Issuer as a relevant risk and included in the section on “Other risks” on p. 357 of the audited consolidated annual financial statements as at and for the year ended 30 June 2022, incorporated in this Base Prospectus by reference – strategic risk or reputational risk.

### ***Risks related to climate/environmental changes***

The Issuers and the Group are exposed to risks related to climate and environmental change, which includes two main risk factors, referred to as physical risk and transition risk. Physical risk can have an adverse effect on both the Group’s assets (e.g. properties being damaged following severe weather events) and on those of its clients, with potential repercussions on, for example, assets used as collateral for loans granted. Transition risk can generate possible adverse repercussions on the performances of clients impacted by the transition to a low carbon emission-based and more sustainable economy.

Against the backdrop of a strongly and quickly changing regulatory scenario and the adoption by the European Commission of an ambitious package of measures to encourage the flow of capital towards sustainable activities throughout the European Union, the Mediobanca Group – since the start of 2021 – has launched a programme of ESG risk integration, disclosure and financial sustainability of products, and alignment to the European taxonomy regulation. Phase 1 was completed in June 2022, whereas Phase 2 has the following objectives: (i) performance of the actions included in the plan sent to the ECB in May 2021; (ii) completion of the process of adapting the Group’s operations to meet the obligations introduced by the EU Sustainable Finance Disclosure Regulation (SFDR) and MiFID II); (iii) definition of the preparatory activities for making the first disclosure in relation to the Sustainable Finance Taxonomy Regulation (as defined below) based on the business areas impacted by the regulations.

In accordance with the climate change objectives included in its Strategic Plan, the Mediobanca Group, which was already a member of the so-called Global Compact, has also signed up to the Net-Zero Banking Alliance (NZBA), with the objective of achieving net zero emissions by 2050. Furthermore, the Mediobanca Group recognizes the importance of a balanced distribution of the value created from the activities it carries out *versus* its own stakeholders, value which the stakeholders themselves have directly or indirectly contributed towards creating; for this reason it has decided to publish the economic value it has generated and distributed, calculated in accordance with the Italian Banking Association’s instructions by restating the various items of the consolidated profit and loss account.

The Mediobanca Group has been called to perform a stress test on climate risks operated by the European Central Bank in 2022 to identify the weaknesses of banks on risk factors related to climate change and whose results will be part of the 2022 Supervisory Review and Evaluation Process (“SREP”) prudential evaluation.

The possibility of the adoption of new policies for climate and environmental risk, the future development of the areas of intervention in ESG and sustainable growth terms, and changing consumer preferences and market confidence impacting adversely on the operating results and on the earnings, capital and/or financial situation of the Issuers and the Group cannot be ruled out.

### ***IT and Cyber Risk***

IT risk is defined as the risk of incurring losses in terms of earnings, reputation and market share in relation to the use of the company's information system and in relation to malfunctions in terms of hardware, software and networks.

Cyber risk is defined as a type of IT risk relating to cyber security aspects and involving risks deriving from cyber attacks.

Although they do not constitute new risks as such, significant exposure to them can doubtless be expected, because of the increasing dependence on computer systems (and the consequent increase in the numbers of users using online channels and interconnected devices), the growing quantity of data managed (which requires quality protection), and the increasing use of IT services provided by third parties.

It is also worth noting that, with update no. 40<sup>th</sup> of 3 November 2022, the Circular No. 285 was amended in order to implement the EBA Guidelines on ICT and security risk management. Among the others, as of 30 June 2023, Italian banks (thus including Mediobanca) would be required to set up a second-level control function to manage and monitor over the risks associate with ICT and security. Alternatively, upon bank's decision, such tasks may be assigned to the pre-existing risk management and control functions, in line with the roles, responsibilities and competences of each of those functions, and provided that the relevant monitoring and managing activities would be properly performed and the technical competences requirements would be duly met. Italian banks are required to submit to the Bank of Italy a communication, describing the planned steps to be taken and the arrangements to be implemented to be compliant with these recently introduced changes, by 1 September 2023.

## ***(B) RISKS RELATED TO THE FINANCIAL SITUATION OF THE ISSUERS AND OF THE MEDIOBANCA GROUP***

### ***Liquidity Risk***

Liquidity risk is defined as the risk of each Issuer not being able to meet its own payment obligations as and when they fall due, as a result of an inability to raise the necessary funds on the market (funding liquidity risk), or to difficulties in selling its own assets to meet them except by making a loss on them (market liquidity risk). Liquidity risk has different timing profiles, as follows: (i) the current or potential of the each Issuer being unable to manage its own liquidity needs effectively in the short-term (so called liquidity risk); and (ii) the risk of each Issuer not having stable sources of funding over the medium and long term, making it unable to meet its own financial obligations without an excessive increase in the cost of funding (so called funding risk).

The Issuers' liquidity may be affected by: (i) volatility on domestic and international markets; (ii) adverse changes in the general economic scenario; (iii) market situations, such as it being temporarily impossible to access the

market by issuing shares; and (iv) changes in the relevant Issuer's credit rating, i.e. its degree of earnings/financial reliability, which affects market liquidity risk as described above. All these circumstances could arise as a result of causes independent of the relevant Issuer, such as market turbulence, impacting negatively on its risk profile.

The Liquidity Coverage Ratio (“**LCR**”) as at 30 June 2022 was 159% (compared to 158% as at 30 June 2021), including the prudential estimate of “additional liquidity outflows for other products and services” in accordance with Article 23 of Commission Delegated Regulation (EU) 2015/61; i.e. well above the minimum requirement of 100% set by the regulators as of 1 January 2018. The Net Stable Funding Ratio (“**NSFR**”) as at 30 June 2022 stood at 115% (compared to 116% as at 30 June 2021); i.e. higher than the minimum requirement of 100% introduced starting from 2021.

The LCR and NSFR are liquidity indicators. The LCR serves to maintain a liquidity buffer that will enable the Issuers to survive for a period of thirty days in the event of exceptionally stressful circumstances, while the NSFR records structural liquidity, ensuring that assets and liabilities retain a sustainable structure in terms of maturities.

The Group's participation in TLTROs (i.e. operations whereby credit institutions in the Eurozone can receive finance for up to 3 years on advantageous terms, in order to improve credit market conditions and stimulate the real economy) with the European Central Bank (the “**ECB**”) at 30 June 2022 amounted to €8.4 billion (€7.4 billion at 30 June 2021). The interest rate offered on this instrument was made attractive during the Covid-19 pandemic to address the downside risks associated with price stability. However, since 23 November 2022, the rate has had to be recalibrated in view of the persistent inflation, to normalize monetary policy.

### ***Sovereign exposure risk***

Mediobanca is exposed to movements in government securities, in particular to Italian sovereign debt securities.

As at 30 June 2022, the aggregate exposure to sovereign states held by the Mediobanca Group amounted to €4.3 billion, of which €1.14 billion booked at fair value, and €3.29 billion at amortized cost, with €0.3 billion in securities held by other banks in the Mediobanca Group. At the same date, the aggregate exposure to Italian government securities was €3.79 billion, representing 25.6% of the Group's total financial assets and 4% of the total assets (unchanged versus end-June 2021). The average duration of the exposures was approximately four years. As at 30 June 2021, the same exposure reflected a book value of €3.87 billion (€2.09 billion recognized at fair value and €1.78 billion at amortized cost).

Tensions in sovereign debt securities, with reference in particular to any deterioration in the spread on Italian government securities relative to those of other European member states, and any combined actions by the leading rating agencies that would result in the rating for Italian sovereign debt being downgraded to below investment grade level, may impact negatively on the Mediobanca's portfolio, its capital ratios and liquidity position.

### ***Risk related to court and arbitration proceedings***

The risk deriving from court and arbitration proceedings for Mediobanca consists of a reputational risk, i.e. the damages that Mediobanca could incur if one or more of the rulings in the court and arbitration proceedings in

which Mediobanca is involved generates a negative perception of Mediobanca and/or the Group on the part of clients, counterparties, shareholders, investors or the supervisory authorities.

As at the date hereof, Mediobanca and its Group companies are not, or have not been, involved in proceedings initiated by the public authorities, legal disputes or arbitrations which could have or which have, in the recent past, had significant consequences for the Mediobanca's or the Group's financial position or profitability.

As at 30 June 2022, the main legal proceedings pending that involve Mediobanca include two claims for damages and thirteen tax disputes. It is believed that the provision for risks and charges (which as at 30 June 2022 amounted to €137.8 million), is sufficient to cover any charges relating to the cases that have been brought against Mediobanca and the other Group companies, and to cover other contingent liabilities (as at 30 June 2022 the provision included €114 million for litigation and other contingent liabilities).

**(C) RISKS RELATED TO LEGAL AND REGULATORY SCENARIO**

***Changes in the Italian and European regulatory framework could adversely affect the Issuer's business***

Mediobanca is subject to extensive regulation and supervision by the Bank of Italy, the *Commissione Nazionale per le Società e la Borsa* (the Italian securities market regulator or “**CONSOB**”) the European Central Bank and the European System of Central Banks. Mediobanca International is subject to extensive regulation and supervision by the CSSF, the European Central Bank and the European System of Central Banks.

The banking laws to which the Issuers are subject govern the activities in which banks and foundations may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Issuers must comply with financial services laws that govern their marketing and selling practices. The regulatory framework governing the international financial markets is currently being amended in response to the credit crisis, and new legislation and regulations are being introduced in Italy and the Grand Duchy of Luxembourg and could significantly alter the Issuers' capital requirements. In addition, any significant regulatory action against a member of the Mediobanca Group could lead to financial losses, as a result of regulatory fines, reprimands or litigations, and, in extreme scenarios, to the suspension of operations or even withdrawal of authorizations, thus having a material adverse effect on Mediobanca Group's business, results of operations and its financial condition, which would be reflected in the Mediobanca Group's consolidated results.

The supervisory authorities mentioned above govern various aspects of the Issuers, which may include, among other things, liquidity levels and capital adequacy, the prevention and combating of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. In order to operate in compliance with these regulations, the Issuers have in place specific procedures and internal policies. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the Group's results of operations, business and financial condition. The above risks are compounded by the fact that, as at the date of this Base Prospectus, certain laws and regulations have only been approved and the relevant implementation procedures are still in the process of being developed.



### ***Risks related to major regulatory changes***

Mediobanca is subject to extensive and strict EU and Italian regulation, which concerns and comprises supervisory activity by the competent authorities (i.e. the ECB, Bank of Italy and Consob). Such regulations - and this also applies to the supervisory activity - are subject to ongoing revisions and changes in practice. The applicable regulations govern the sectors in which banks may operate, in order to safeguard their stability and solidity, limiting the exposure to risk. In particular, Mediobanca and the banking companies of the Group are required to comply with the capital adequacy requirements instituted by the EU regulations and by Italian law. Furthermore, as a listed issuer, Mediobanca is also required to comply with the regulations provided by Consob in this area on subjects such as, *inter alia*, anti-money-laundering, usury and protection of consumer rights.

Any changes to the regulations and/or the means by which they are interpreted and/or applied by the competent authorities, could result in additional charges and obligations to be fulfilled by Mediobanca, which could impact negatively on such Issuer's operating results and its earnings, capital and financial situation.

Starting from 1 January 2014, a part of the supervisory rules has been amended on the grounds of the directions deriving from the so-called Basel III agreements, mainly with the purpose to significantly strengthen the minimum capital requirements, the restraint of the leverage degree and the introduction of policies and quantitative rules for the mitigation of the liquidity risk of the banks.

As at the date of this Base Prospectus, banks must meet the own funds requirements provided by article 92 of the CRD IV Regulation, as amended by the CRR II (as both defined below): (i) the Common Equity Tier 1 Ratio must be equal to at least 4.5 per cent. of the total risk exposure amount of the bank; (ii) the Tier 1 Ratio must be equal to at least 6 per cent. of the total risk exposure amount of the bank; (iii) the Total Capital Ratio must be equal to at least 8 per cent. of the total risk exposure amount of the bank; and (iv) the Leverage Ratio must be equal to at least 3 per cent. of the Tier 1 Ratio divided by the total exposures amount of the bank. In addition to the minimum regulatory requirements, banks must meet the Combined Buffer Requirements (as defined below) provided by the CRD IV Directive (as defined below).

For a description of the CRD IV Package applicable to Mediobanca Group please see "*Regulatory Aspects – Basel III and CRD IV Package*".

As for the capital requirements, the prudential provisions in force provide for minimum capitalisation levels. In particular, the banks are required to have a Common Equity Tier 1 (CET 1) ratio at least equal to 7% of the risk-weighted assets, a Tier 1 ratio equal at least to 8.5% of the risk-weighted assets and a Total Capital ratio equal at least to 10.5% of said risk-weighted assets (such minimum levels include the so-called "capital conservation buffer", namely "a "buffer" of further mandatory capitalisation).

Mediobanca, as a bank of significant importance for the European financial system, is subject to direct supervision of the ECB. Following the SREP the ECB provides, on an annual basis, a final decision of the capital requirement that Mediobanca must comply with at consolidated level (the "**SREP Decision**").

For the years 2021 and 2022, Mediobanca received a SREP Decision respectively on 17 November 2020 and on 24 January 2022. On 24 January 2022, Mediobanca has received the following minimum requirements to comply with:

• Minimum requirement (CRR Article 92)	8.00%
— of which CET1	4.50%
— of which T1	6.00%
— of which Total capital	8.00%
• P2R (SREP Decision)	1.58%
— of which CET1	0.89%
— of which T1	1.19%
— of which Total capital	1.58%
• Capital conservation buffer (CRD IV)	2.50%
• <b>Minimum total CET1 requirement</b>	<b>7.89%</b>
• <b>Minimum total Tier 1 requirement</b>	<b>9.69%</b>
• <b>Minimum total capital requirement</b>	<b>12.08%</b>

On 30 June 2021, in respect of Mediobanca the CET 1 ratio was 16.31%, the T1 ratio 16.31%, and the total capital ratio 18.91%, while as of 30 June 2022 the same ratios were 15.67%, 15.67% and 17.62%, respectively. The CET 1 ratio reduction is attributable to the buy back plan ended during the previous financial year. In terms of actual figures, as at 30 June 2022, the CET1 and Tier 2 totalled €7,894.3 million and €980.1 million respectively; the CET1 ratio stood at 15.67% (versus 16.31% at 30 June 2021). The ratio fully loaded without applying the Danish Compromise, i.e. with the Assicurazioni Generali deducted in full, and the IFRS 9 also fully applied, would be 14.50% (15.08% as at 30 June 2021), while the total capital ratio would decrease from 18.91% to 17.62% (16.69% fully loaded). Furthermore, as at 30 June 2022, risk-weighted assets (“**RWA**”s)<sup>1</sup> totalled €50,378.0 million, higher than the €47,159.3 million reported the previous financial year, as a result of the new prudential treatment for the Assicurazioni Generali investment (which added €1.4 billion) plus higher loans in CIB (up €700 million),

<sup>1</sup> RWAs are calculated using the standard and internal ratings based (“**IRB**”) methods for credit risk; the standard method for market risk, and the basic method for operational risks.

Consumer Finance (up €900 million), and Private Banking (up €400 million). Any deterioration in the above prudential requisites could impact, even significantly, on the integrity and operating performance of Mediobanca.

For 2023, on 14 December 2022 Mediobanca received the final SREP decision according to which the P2R requirement is set at 1.68%. The activities performed in 2022 in connection with the SREP should in any case entail a small increase in the capital requirement for Mediobanca imposed by the ECB, in view of the future uncertainties, and of the fact that such requirement has not been modified in the last few years.

For a description of the Pillar 2 requirements applicable to Mediobanca Group please see “*Regulatory Aspects – Capital Requirements*” of this Base Prospectus.

It should be noted that, on 12 March 2020, the ECB, taking into account the economic effects of the coronavirus (COVID-19), announced certain measures aimed at ensuring that banks, under its direct supervision, are still able to provide credit support to the real economy.

Considering that the European banking sector acquired a significant amount of capital reserves (with the aim of enabling banks to face with stressful situations such as the COVID-19), the ECB allows banks to operate temporarily below the capital level defined by the "Pillar 2 Guidance (P2G)" and the "capital conservation buffer (CCB)". Furthermore, the ECB expects these temporary measures to be further improved by an appropriate revision of the countercyclical capital buffer (CCyB) by the competent national authorities.

On 10 February 2022 the ECB announced that it did not see it as necessary to allow banks to operate below the level of capital defined by their Pillar 2 Guidance beyond December 2022, nor to extend beyond March 2022 the supervisory measure that allow them to exclude central bank exposure from their leverage ratios. Therefore, banks are: (i) expected to operate above Pillar 2 Guidance from 1 January 2023; (ii) re-include central bank exposures in leverage ratio from 1 April 2022; and (iii) have ample headroom above capital and leverage ratio requirements.

Moreover, due to the COVID-19 outbreak, with the Recommendation of 27 March 2020, the ECB recommended that at least until 1 October 2020 no dividends are paid out and no irrevocable commitment to pay out dividends is undertaken by the credit institutions for the financial year 2019 and 2020 and that credit institutions refrain from share buy-backs aimed at remunerating shareholders. The ECB decided to extend the recommendation on dividends until 30 September 2021 with the Recommendation ECB/2020/62 that repeals Recommendation ECB 2020/19 of 27 March 2020 and Recommendation ECB 2020/35 of 27 July 2020. On 23 July 2021, the ECB decided not to extend dividend recommendation beyond September 2021, but published a new Recommendation ECB/2021/31. In particular, Recommendation ECB/2021/31 states that the ECB considered that the reduced economic uncertainty allows the supervisory assessment of the prudence of bank’s plans to distribute dividends and conduct share buybacks on an individual basis with a careful forward-looking assessment of capital plans in the context of the normal supervisory cycle.

As for the liquidity, the European rules envisage, inter alia, a short-term indicator (Liquidity Coverage Ratio or “**LCR**”), aimed at creating and maintaining a liquidity buffer able to allow the survival of the bank for a period of thirty days in case of serious market stress, and a structural liquidity indicator (Net Stable Funding Ratio or

“NSFR”) with a temporal horizon longer than a year, introduced to ensure that the assets and liabilities have a sustainable maturity structure.

The Mediobanca Group’s liquidity and long-term viability depends on many factors including its ability to successfully raise capital and secure appropriate financing. Should Mediobanca Group not be able to implement the approach to capital requirements it considers optimal in order to meet the capital requirements imposed by the CRD IV Package (as amended by the Banking Reform Package), it may be required to maintain levels of capital which could potentially impact its credit ratings, funding conditions and limit Mediobanca’s growth opportunities.

Both indicators of the Mediobanca Group are widely above the minimum limits provided by the abovementioned provisions of law.

Furthermore, the Banking Reform Package introduced the financial Leverage Ratio, which measures the coverage degree of Class 1 Capital compared to the total exposure of the Mediobanca Group. Such index is calculated by considering the assets and exposures out of the budget. The objective of the indicator is to contain the degree of indebtedness in the balance sheets of the banks. The ratio is subject to a minimum regulatory limit of 3%.

The Mediobanca Group’s leverage ratio, calculated without excluding exposures to central banks, on 30 June 2022 stood at 8.4% (9.1% as at 30 June 2021). The reduction since end-June 2021 is due to the increase in exposures due to the higher treasury assets.

Depending on the outcomes of the legislative process underway in Europe, Mediobanca might be compelled to adapt to changes in the regulations (and in their construction and/or implementation procedures adopted by the supervisory authorities), with potential adverse effects on its assets, liabilities and financial situation. In particular, investors should consider that supervisory authorities may impose further requirements and/or parameters for the purpose of calculating capital adequacy requirements or may adopt interpretation approaches of the legislation governing prudential fund requirements unfavourable to Mediobanca, with consequent inability of Mediobanca to comply with the requirements imposed and with a potential negative impact, even material, on the business and capital, economic and financial conditions.

In light of that, Mediobanca has in place specific procedures and internal policies - in accordance with the regulatory frameworks defined by domestic and European supervisory authorities and consistent with the regulatory framework being implemented at the European Union level - to monitor, among other things, liquidity levels and capital adequacy. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect Mediobanca’s results of operations, business and financial condition. In particular, as at the date of this Base Prospectus, the EU Banking Reform Package has been recently implemented in Italy and there is uncertainty as to its implementation and interpretation, and it is not yet clear what impact the changes introduced by the Banking Reform Package will have on Mediobanca’s operations. Moreover, as at the date of this Base Prospectus, the Bank of Italy’s authority to introduce a systemic risk buffer and borrower based measures has recently been introduced into the Circular No. 285 (as defined below) and there is uncertainty as to how (and if) the Italian regulator would exercise such authority. Therefore, it is not yet clear what impact these regulatory changes will have on Mediobanca’s operations. Finally, as at the date of

this Base Prospectus, the 2021 Reform Package (as defined below) has recently been proposed by the European Commission and there is uncertainty as to adoption and implementation, and it is not yet clear how and to what extent this legislative proposal may impact on Mediobanca's operations.

For a description of the Banking Reform Package applicable to Mediobanca Group please see "*Regulatory Aspects – Revision to the CRD IV Package*".

In this context, a few other relevant provisions are the implementation of Directives 2014/49/EU (*Deposit Guarantee Schemes Directive*) of 16 April 2014 and the adoption of the (EU) Regulation no. 806/2014 of the European Parliament and the Council of 15 July 2014 (*Single Resolution Mechanism Regulation*, – so-called "**SRMR**"), which may determine a significant impact on the economic and financial position of the Mediobanca and the Mediobanca Group, as such rules set the obligation to create specific funds with financial resources that shall be provided, starting from 2015, by means of contributions by the credit institutions.

Investors should also consider that it cannot be excluded that in the future Mediobanca may be required, in particular in light of external factors and unforeseeable events outside its control and/or after further requests by the supervisory authority, to implement capital enhancement interventions; there is also a risk that Mediobanca may not be able to achieve and/or maintain (both at individual and consolidated level) the minimum capital requirements provided for by the legislation in force from time to time or established from time to time by the supervisory authority in the times prescribed therein, with potential material negative impact on its business and capital, economic and financial condition.

In these circumstances, it cannot be excluded that Mediobanca may be subject to extraordinary actions and/or measures by competent authorities, which may include, inter alia, the application of the resolution tools as per the BRRD Decrees (as defined below). In particular, the impact of the resolution tools provided for by the BRRD Decrees on the rights of the Noteholders are further described in the section "*Regulatory Aspects*". In this respect, please see "*Regulatory Aspects - The Bank Recovery and Resolution Directive*" and see "*Regulatory Aspects – Revision to the BRRD framework*" of this Base Prospectus.

On 15 October 2013, the Council of the European Union adopted the Council Regulation (EU) No. 1024/2013 granting specific tasks to the ECB as per prudential supervision policies of credit institutions (the "**SSM Regulation**") in order to establish a single supervisory mechanism (the "**Single Supervisory Mechanism**" or "**SSM**"). From 4 November 2014, the SSM Regulation has given the ECB, in conjunction with the national regulatory authorities of the Eurozone and participating Member States, direct supervisory responsibility over "banks of significant importance" in the Eurozone.

In this respect, "banks of significant importance" include any Eurozone bank in relation to which (i) the total value of its assets exceeds €30 billion or – unless the total value of its assets is below €5 billion – the ratio of its total assets over the national gross domestic product exceeds 20%; (ii) is one of the three most significant credit institutions established in a Member State; (iii) has requested, or is a recipient of, direct assistance from the European Financial Stability Facility or the European Stability Mechanism; (iv) is considered by the ECB to be

of significant relevance where it has established banking subsidiaries in more than one participating Member State and its cross-border assets/liabilities represent a significant part of its total assets/liabilities.

Notwithstanding the fulfilment of the relevant criteria, the ECB, on its own initiative after consulting with each national competent authority or upon request by a national competent authority, may declare an institution significant to ensure the consistent application of high-quality supervisory standards. Mediobanca has been classified as a significant supervised entity within the meaning of Regulation (EU) No. 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for co-operation within the Single Supervisory Mechanism between the European Central Bank and each national competent authority and with national designated authorities (the “**SSM Framework Regulation**”) and, as such, is subject to direct prudential supervision by the ECB in respect of the functions granted to ECB by the SSM Regulation and the SSM Framework Regulation.

For further details, please see “*Regulatory Aspects*”. In this respect, please see “*Regulatory Aspects – ECB Single Supervisory Mechanism*”.

Mediobanca undertakes to comply with the set of laws and regulations applicable to the Group. Failure to do so, or changes to the regulations and/or to the means of interpreting and/or applying them made by the competent national regulatory authorities could entail possible adverse impacts (including the possibility of legal proceedings being initiated against the Group) on the operating results and on the earnings, capital and financial situation of Mediobanca and the Group.

#### ***Risks related to changes in the regulations on non-performing loans***

Mediobanca, in its capacity as Issuer, is bound to comply and align itself with changes in the regulation on non-performing exposures (“**NPEs**”), at both national and supranational levels. Despite undertaking to meet the deadlines for alignment and comply with the new obligations introduced, the ongoing changes in the regulations and/or ways in which they are interpreted and/or applied by the competent authorities, could give rise to new charges and obligations on the part of Mediobanca, with a potentially negative impact on such Issuer’s operating results and its earnings, capital and financial situation. In particular fresh regulatory capital may be absorbed, resulting in changes to the capital ratios.

The recently introduced banking reforms as well as other laws and regulations that may be adopted in the future could adversely affect the Issuer’s business, financial condition, results of operations and cash flow.

#### ***Risks related to changes in fiscal law***

The Issuers are subject to risks associated with changes in tax law or in the interpretation of tax law, changes in tax rates and consequences arising from non-compliance with procedures required by tax authorities. Any legislative changes affecting the calculation of taxes could therefore have an impact on the Issuers’ financial condition, results of operations and cash flow.

With particular reference to Mediobanca, Mediobanca is required to pay Italian corporate income taxes (“**IRES**”) pursuant to Title II of Italian Presidential Decree no. 917 of 22 December 1986 (*i.e.* the Consolidated Income Tax Law, or “**TUIR**”) and the Italian regional business tax (“**IRAP**”) pursuant to Legislative Decree no. 446 of 15 December 1997, and the amount of taxes due and payable by Mediobanca may be affected by tax benefits from time to time available.

Mediobanca can benefit from the stimulus provisions introduced by way of article 1 of Italian Law Decree no. 201 of 6 December 2011, as amended and converted into Law no. 214 of 22 December 2011, concerning “economic-growth allowances” (*aiuto alla crescita economica*, or “**ACE**”) if all the conditions provided by the above-mentioned Law are met. The ACE rules allow for a deduction from net income for the purposes of IRES of an amount computed by applying a notional yield at a rate of 1.3% from 2019 onwards to the increase in net equity (the “**ACE Base**”). The ACE base is, for the first year of application of ACE (*i.e.* 2011), the amount of equity existing at close of that year less the amount of equity as of 31 December 2010 (excluding profits earned in 2010) and, for subsequent years, the base carried forward from the previous year as adjusted (increased and reduced) to reflect components affecting equity.

In accordance with article 3 of the Italian Ministerial Decree of 3 August 2017 revising the implementing provisions of the ACE legislation, if the amount of the notional yield (*i.e.* the ACE deduction) exceeds net income declared for a given tax year (the “**Excess ACE**”), such excess (i) may increase the amount deductible from income in subsequent tax years without time or amount limits, or (ii) may be converted into a tax credit calculated by applying the IRES tax rate, as per article 77 of the TUIR, to the Excess ACE amount and then utilised in five annual instalments of equal amount as an offset to IRAP up to the amount of tax due for the period.

From time to time, the Italian budget law may also include provisions that affect the deductibility of particular items that could result in an increase in the taxable income of the Issuer for IRES and/or IRAP purposes, either in general or for specific tax period(s).

***The transposition of the Anti-Tax Avoidance Directives in Luxembourg law could have an impact on the tax position of Mediobanca International (including its performance) and on MBFL***

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of a number of the BEPS conclusions across the EU, the EU Council adopted Council Directive (EU) 2016/1164 (“**ATAD 1**”) on 12 July 2016. The EU Council further adopted Council Directive (EU) 2017/952 (“**ATAD 2**”) and, together with ATAD 1, “**ATAD**”) on 29 May 2017, amending ATAD 1, to provide for minimum standards for counteracting hybrid mismatches involving EU member states and third countries.

In this respect, the Luxembourg law dated 21 December 2018 (the “**ATAD 1 Law**”) transposed the ATAD 1 into Luxembourg legislation. Amongst the measures contained in the ATAD 1 Law is an interest deductibility limitation rule.

The interest deduction limitation rule set out by ATAD 1 has been implemented in article 168bis of the

Luxembourg income tax law (“LITL”) effective as of 1 January 2019, which restrict, for a Luxembourg taxpayer, the deduction of net interest expenses qualifying as “exceeding borrowing costs” to the higher of (i) 30 per cent. of the taxpayer’s EBITDA or (ii) €3 million.

Exceeding borrowing costs are defined as the amount by which the deductible borrowing costs of a taxpayer exceeds the taxpayer’s taxable interest revenues and other economically equivalent taxable income of the taxpayer. Exceeding borrowing costs not deductible in a tax period can be carried forward indefinitely. The same applies to a taxpayer’s excess interest capacity which cannot be used in a given tax period (however, such excess interest capacity can only be carried forward for a maximum period of 5 years).

Financial undertakings, such as credit institutions, are excluded from the scope of the interest limitation rule, hence, considering that Mediobanca International is a credit institution within the meaning of the law dated 5 April 1993, it is not impacted by this interest limitation rule. That being said, MBFL may be impacted by the interest limitation rule.

EU Anti-Tax Avoidance Directives also contain rules relating to so-called hybrid mismatches. Luxembourg implemented the anti-hybrid mismatch rules under ATAD 2 in article 168ter of the LITL with effect as of 1 January 2020, except for the measures related to reverse hybrid mismatches which apply as from fiscal year 2022.

As per article 168ter of the LITL, a hybrid mismatch arises when a payment between entities located in different states results in a double deduction or a deduction without inclusion. In the event of a double deduction, the deriving hybrid mismatch should be adjusted by denying the deduction at the level of either (i) the payee or (ii) the payor (provided that the deduction has not already been denied at the level of the payee). In the event of a deduction without inclusion, the deriving hybrid mismatch shall be adjusted by means of either (i) the denial of the deduction at the level of the payor or (ii) the inclusion of the payment in the taxable income of the payee (provided that the deduction has not already been denied at the level of the payor).

A hybrid mismatch occurs only if it arises either (i) between "associated enterprises" or in the case of “acting together”, (ii) a taxpayer and an associated enterprise, (iii) head office and permanent establishment, (iv) two or more permanent establishments of the same entity or (v) in the case of a structured arrangement.

The impact of ATAD 2 depends on the tax treatment at the level of the relevant holder of Notes and may alter the tax position and hence the performance of Mediobanca International and MBFL.

## **2. *Risks relating to the Notes***

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme.**

### **(A) *GENERAL***

***The Notes may not be a suitable investment for all Investors***



Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) proceed with investment only after fully appreciating the risks inherent in the nature of the Notes;
- (ii) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (iii) evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets;
- (v) consider all of the risks of an investment in the Notes, including Notes with payments thereunder payable in one or more currencies, or where the currency for payments thereunder is different from the potential investor's currency; and
- (vi) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (vii) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in Share Linked Notes, Index Linked Notes, Fund Linked Notes, Credit Linked Notes, Inflation Linked Notes, Physical Delivery Notes, Commodity Linked Notes, FX Linked Notes, Interest Rate Linked Notes and Debt Linked Notes may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "*Risks related to the structure of a particular issue of Notes*" set out below.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios.

A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***Risks related to the structure of a particular Issue of Notes***

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

The Notes involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Purchasers should be prepared to sustain a partial or total loss of the purchase price of their Notes. This risk reflects the nature of a Note as an asset which, other factors held constant, tends to decline in value over time and which may become worthless on maturity. See "*Certain Factors Affecting the Value and*

*Trading Price of Notes*" below. Prospective purchasers of Notes should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Notes and the particular share (or basket of shares), index (or basket of indices), fund (or basket of funds), reference entity (or reference entities), inflation rate, commodity (or basket of commodities), debt instrument (or basket of debt instruments), interest rate (or basket of interest rates), currency exchange rate or foreign exchange rate to which the value of the relevant Notes may relate, as specified in the applicable Final Terms (each an "**Underlying Reference**"). Each Issuer may also issue Notes linked to the credit of a specified entity (or entities) (each such entity "a **Reference Entity**" and, where the context admits, each an "**Underlying Reference**").

Notes linked to Underlying Reference(s) will represent an investment linked to the economic performance of the relevant Underlying Reference(s) and potential investors should note that the return (if any) on their investment in such Notes will depend upon the performance of such Underlying Reference(s). Notes linked to the difference in performance between two Underlying References (in case of Multiple Final Payout - Performance Differential Notes) will represent an investment linked to the difference between the economic performance of the relevant Underlying Reference(s) and potential investors should note that the return (if any) on their investment in such Notes will depend upon the relative performance of such Underlying References. Potential investors should also note that whilst the market value of such Notes is linked to such Underlying Reference(s) and will be influenced (positively or negatively) by such Underlying Reference(s), any change in the market value of such Notes may not be comparable to changes in the market value of the Underlying Reference(s). It is impossible to predict how the market value of the relevant Underlying Reference(s) will vary over time.

The exposure to the Underlying Reference in many cases will be achieved by the relevant Issuer entering into hedging arrangements. Potential investors should be aware that under the terms of Underlying Reference linked Notes they are exposed to the performance of these hedging arrangements and the events that may affect these hedging arrangements and consequently the occurrence of any of these events may affect the value of the Notes.

The risk of the loss of some or all of the subscription or purchase price of a Note at maturity means that, in order to recover and realise a return upon his or her investment, an investor must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Reference or credit risk of the Reference Entity ("**Entities**") which may be specified in the applicable Final Terms. Assuming all other factors are held constant, the lower the value of a Note and the shorter the remaining term to settlement, the greater the risk that Noteholders of such Notes will lose all or part of their investment.

Fluctuations in the price of the relevant share or value of the basket of shares will affect the value of Share Linked Notes. Fluctuations in the value of the relevant index will affect the value of Index Linked Notes. Fluctuations in the value of the relevant fund or the value of the basket of funds will affect the value of Fund Linked Notes. Fluctuations in the market price for the purchase of credit protection in relation to the relevant reference entity or basket of reference entities will affect the value of Credit Linked Notes. Fluctuations in the value of the relevant inflation rate will affect the value of Inflation Linked Notes. Fluctuations in the value of the relevant commodity or basket of commodities will affect the value of Commodity Linked Notes. Fluctuations in the rates of exchange

between the relevant currencies will affect the value of FX Linked Notes. Fluctuations in the value of the relevant debt instrument or basket of debt instruments will affect the value of Debt Linked Notes. Fluctuations in the value of the relevant interest rate or basket of interest rates will affect the value of Interest Rate Linked Notes. Purchasers of Notes risk losing their entire investment if the value of the relevant Reference Item does not move in the anticipated direction.

The risk of the loss of some or all of the purchase price of a Note upon maturity means that, in order to recover and realise a return upon his or her investment, a purchaser of a Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying Reference. Assuming all other factors are held constant, the lower the value of a Note and the shorter its remaining term to maturity, the greater the risk that purchasers of such Note will lose all or part of their investment.

The historical performances of an Underlying Reference should not be viewed as an indication of the future performance of such Underlying Reference during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risks entailed by an investment in any Notes and the suitability of such Notes in light of its particular circumstances.

Each Issuer may issue several issues of Notes relating to various Underlying References. However, no assurance can be given that the relevant Issuer will issue any Notes other than the Notes to which particular Final Terms relate. At any given time, the number of Notes outstanding may be substantial.

Notes provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. Notes on shares, interests in exchange traded instruments, debt instruments or fund shares or units or fund indices are priced primarily on the basis of the value of underlying securities whilst Notes on currencies and commodities are priced primarily on the basis of present and expected values of the reference currency (or basket of currencies) or commodity (or basket of commodities) specified in the applicable Final Terms.

If 'Structuring Fee Deduction' is specified to be 'Applicable' in the Final Terms the value of and return on the Notes will be reduced by a structuring fee. The structuring fee will accrue from the Issue Date or the scheduled trading day following the Issue Date until the relevant valuation date, therefore the longer the term of the Notes, the greater the reduction in the value of and return on the Notes by the structuring fee. Before purchasing a Note Investors should understand the effect of the structuring fee on the value of and return on the Note.

***Potential loss of the Noteholder's investment in the Notes***

Each Noteholder may receive a Final Redemption Amount and/or physical delivery of the Entitlement the aggregate value of which may be less than the value of the Noteholder's investment in the relevant Notes. In certain circumstances Noteholders may lose the entire value of their investment.

***Possible Illiquidity of the Notes in the secondary market***

It is very difficult to predict the price at which Notes will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list or ask for admission to trading of Notes on a stock exchange or a trading venue. If the Notes are not listed or admitted to trading on any stock exchange or trading venue, pricing information for the Notes may be more difficult to obtain and the liquidity of the Notes may be adversely affected. If the Notes are listed or admitted to trading on any stock exchange or trading venue, there can be no assurance that at a later date, the Notes will not be delisted or that trading on such stock exchange or trading venue will not be suspended. In the event of a delisting or suspension of listing or trading on a stock exchange or trading venue, the relevant Issuer will use its reasonable efforts to list or obtain the admission to trading of the Notes on another stock exchange or trading venue. Also, to the extent Notes of a particular issue are settled in part, the number of Notes of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Notes of such issue. A decrease in the liquidity of an issue of Notes may cause, in turn, an increase in the volatility associated with the price of such issue of Notes.

Each Issuer and any of its Affiliates may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private offer/treaty. Any Notes so purchased may be held or resold or surrendered for cancellation as further described herein. Each Issuer or any of its Affiliates may, but is not obliged to, be a market-maker for an issue of Notes. In those circumstances, the entity acting as market-maker will endeavour to maintain a secondary market throughout the life of the Notes, subject to normal market conditions and will submit bid and offer prices to the market. The spread between bid and offer prices may change during the life of the Notes. However, during certain periods, it may be difficult, impractical or impossible for the entity acting as market-maker to quote bid and offer prices, and during such periods, it may be difficult, impracticable or impossible to buy or sell these Notes. This may, for example, be due to adverse market conditions, volatile prices or large price fluctuations, a large marketplace being closed or restricted or experiencing technical problems such as an IT system failure or network disruption.

Even if the relevant Issuer or such other entity is a market-maker for an issue of Notes, the secondary market for such Notes may be limited.

Investors should note that if an entity is appointed as market-maker or liquidity provider with respect to the Notes in the secondary market, this may, in certain circumstances, affect the price of the Notes in the secondary market.

In addition, all or part of the Notes issued under the Programme may be subscribed upon issuance by the relevant Issuer itself or by its Affiliate(s) for resales thereafter on the basis of investors' demand. Accordingly, investors subscribing for Notes upon their issuance should be aware that there may not be a viable secondary market for the relevant Notes immediately. Even if a market does develop subsequently, it may not be very liquid.

### ***Risk of leveraged exposure***

Leverage involves the use of a number of financial techniques to increase the exposure to an Underlying Reference, and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Underlying Reference moves in the anticipated direction, it will conversely magnify losses when the Underlying Reference moves against expectations. If the

relevant Notes include leverage, potential holders of such Notes should note that these Notes will involve a higher level of risk, and that whenever there are losses such losses may be higher than those of a similar note which is not leveraged. Investors should therefore only invest in leveraged Notes if they fully understand the effects of leverage.

#### ***Absence of rights in respect of the Underlying Reference***

The Notes do not represent a claim against any Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference) and Noteholders will not have any right of recourse under the Notes to any such Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference). The Notes are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of an Underlying Reference and such entities have no obligation to take into account the consequences of their actions on any Noteholders.

#### ***Exposure to modification and disruption events***

In case certain events, indicated in the Terms and Conditions and the relevant Final Terms, occurs with reference to the relevant Underlying Reference(s) or the Notes, the Calculation Agent and the Issuer have broad discretion to make certain determinations to account for such event(s) including to (i) make adjustments to the terms of the Notes and/or (ii) cause early redemption of the Notes, any of which determinations may have an adverse effect on the value of the Notes.

The investor should consider that the effects of coronavirus pandemic (such as the measures taken by governments and authorities in this respect) may cause the occurrence of the events indicated above and involve such adjustments to the terms of the Notes and/or early redemption of the Notes.

#### ***Unsecured Notes are unsecured obligations***

Unsecured Notes are unsubordinated and unsecured obligations of the relevant Issuer and will rank *pari passu* with themselves. Each issue of Unsecured Notes issued by Mediobanca International and/or MBFL will be guaranteed by Mediobanca pursuant to the deed of guarantee executed by the Guarantor and dated 18 September 2023 (the "**Mediobanca International Deed of Guarantee**") and the deed of guarantee executed by the Guarantor and dated 18 September 2023 (the "**MBFL Deed of Guarantee**"). The obligations of Mediobanca under the Mediobanca International Deed of Guarantee and the MBFL Deed of Guarantee are unsubordinated and unsecured obligations of Mediobanca and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations, subject as may from time to time be mandatory under Italian law and subject to the application of the bail-in legislation applicable to the Guarantor.

#### ***Certain factors affecting the value and trading price of the Notes***

The Final Redemption Amount (in the case of Cash Settled Notes) or the value of the Entitlement (the "**Physical Settlement Value**") (in the case of Physical Delivery Notes) at any time prior to expiration is typically expected to be less than the trading price of such Notes at that time. The difference between the trading price and the Final

Redemption Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, a "time value" for the Notes. The "time value" of the Notes will depend partly upon the length of the period remaining to expiration and expectations concerning the value or level of the Underlying Reference(s). Notes offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Notes varies with the price level of the Underlying Reference(s), as well as by a number of other interrelated factors, including those specified herein.

Before selling Notes, Noteholders should carefully consider the factors set out below, which may cause the value and trading price of the Notes to fluctuate, either positively or negatively:

- (a) the trading price of the Notes;
- (b) the value and volatility of the Underlying Reference(s) as specified in the applicable Final Terms. Depending on the applicable payout or interest amounts, movements in the value and/or volatility of the Underlying Reference may cause the value of the Notes to either rise or fall;
- (c) the time remaining until the scheduled Maturity Date of the Notes. Depending on the applicable payout or interest amounts, the value of the Notes may fluctuate as the time remaining until the scheduled maturity date decreases;
- (d) in the case of Cash Settled Notes the probable range of Final Redemption Amounts;
- (e) any change(s) in interim interest rates and dividend yields, if applicable. Depending on the applicable payout or coupon or interest rates, movements in interest rates and/or dividends may cause the value of the Notes to either rise or fall;
- (f) any change(s) in currency exchange rates;
- (g) the depth of the market or liquidity of the Underlying Reference as specified in the applicable Final Terms; and
- (h) any related transaction costs.

Such factors may mean that the trading price of the Notes is below the Final Redemption Amount.

### ***Modification***

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

The Terms and Conditions of the Notes also provide that the relevant Issuer and the Guarantor may, without the prior consent of the holders of the Notes correct (i) any manifest error in the Terms and Conditions of the Notes

and/or in the Final Terms, (ii) any error of a formal, minor or technical nature in the Terms and Conditions of the Notes and/or in the Final Terms or (iii) any inconsistency in the Terms and Conditions of the Notes and/or in the Final Terms between the Terms and Conditions of the Notes and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Notes (provided such correction is not materially prejudicial to the holders of the relevant Series of Notes). Any such correction shall be binding on the holders of the relevant Notes and the relevant Issuer and the Guarantor (if applicable) shall cause such correction to be notified to the holders of the Notes as soon as practicable thereafter pursuant to Base Condition 15 (*Agents, determinations, Meetings of Noteholders and modifications*).

### ***Potential conflicts of interest***

The relevant Issuer and/or any of its Affiliates may also engage in trading activities (including hedging activities) related to the asset or other basis of reference underlying any Notes and other instruments or derivative products based on or related to the asset or other basis of reference underlying any Note for their proprietary accounts or for other accounts under their management. The Issuer and/or any of its Affiliates may also issue other derivative instruments in respect of the asset or other basis of reference underlying Notes. The relevant Issuer and/or any of its Affiliates may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Notes or may act as financial adviser to certain companies or companies whose shares are included in a basket of shares or in a commercial banking capacity for such companies. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Notes.

Under the Terms and Conditions of the Notes, the Calculation Agent may make certain determinations in respect of the Notes (including whether a Market Disruption Event, a Settlement Disruption Event or Credit Event (each, as defined in the Terms and Conditions) has occurred) which could affect the amount payable by the relevant Issuer on the Notes. In exercising its right to make such determinations, the Calculation Agent is obligated to carry out its duties and functions as Calculation Agent acting in good faith and in a commercially reasonable manner however, subject to always acting only within the parameters allowed by the terms and conditions of the Notes, it has no responsibility to take investors' interests into account. Where the relevant Issuer acts as Calculation Agent, potential conflicts of interest may exist between the Calculation Agent and the Noteholders, including with respect to those determinations that the Calculation Agent may make pursuant to the Notes that may influence the Final Redemption Amount payable, or the Entitlement deliverable (as the case may be), on the Maturity Date.

Investors should note that Notes issued under the Programme may be underwritten by Dealers (including Mediobanca) which receive in consideration underwriting commissions and selling concessions. The relevant Issuer may also offer and sell Notes directly to investors without the involvement of any Dealer. In addition, Mediobanca may act as market maker or specialist or perform other similar roles in connection with the Notes: potential conflicts of interest may exist between Mediobanca acting in such capacity on the one hand, and investors in the Notes on the other.

Investors should note too that Mediobanca itself is acting in a number of capacities in connection with the issuance of the Notes. In particular Mediobanca will act as, *inter alia*, the relevant Issuer, the Guarantor in respect of

Mediobanca International's and MBFL's obligations, the Dealer, the Calculation Agent, the Arranger and Italian Paying Agent.

Even if its respective rights and obligations in relation to the issuance of the Notes are not conflicting and are independent from one another, in performing any such obligations in these different capacities, Mediobanca may be in a situation of conflict of interests. Mediobanca will only have the duties and responsibilities expressly agreed to by such entity in the relevant capacity and will not, by virtue of its or any of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a duty of care other than as expressly provided in respect of each such capacity.

Any further conflict of interest, including conflicts between the relevant Issuer and any Dealers or distributors will be indicated in the relevant Final Terms.

In respect of ETI Linked Notes and Fund Linked Notes:

- (a) the relevant Issuer or one or more of its Affiliates may from time to time engage in business with the relevant ETI or Fund, as the case may be, or companies in which an ETI or Fund, as the case may be, invests, including among other things, extending loans to, or making investments in, or providing advisory services to them, including merger and acquisition advisory services, engaging in activities that may include prime brokerage business, financing transactions or entry into derivative transactions;
- (b) the ETI or Fund (each as defined below), as applicable, may pay a portion of its fees to the relevant Issuer or any of its Affiliates for the provision of such services;
- (c) in the course of this business, the relevant Issuer, the Guarantor (if any), the Calculation Agent and any of their respective Affiliates may acquire non-public information about an ETI or a Fund, as applicable, or any companies, funds or reference assets in which an ETI or a Fund invests and the relevant Issuer, the Guarantor (if any), the Calculation Agent or any of their respective Affiliates may publish research reports about them. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding ETI Linked Notes or Fund Linked Notes, as applicable. Such activities could present certain conflicts of interest, could influence the prices of such shares, Fund Shares, ETI Interests or other securities and could adversely affect the value of such Notes;

***Certain considerations regarding subscribing or purchasing Notes as hedges***

Prospective investors intending to subscribe or purchase Notes to hedge against the market risk associated with investing in the Underlying Reference which may be specified in the applicable Final Terms should recognise the complexities of utilising Notes in this manner. For example, the value of the Notes may not exactly correlate with the value of the Underlying Reference which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Notes, there is no assurance that their value will correlate with movements of the Underlying Reference which may be specified in the applicable Final Terms. For these reasons, among others, it



may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant Underlying Reference.

The Issuer and/or any of its respective Affiliates or agents may from time to time hedge the relevant Issuer's obligations under the Notes (and under other instruments and OTC contracts issued by or entered into from time to time by the relevant Issuer and/or any of its respective Affiliates or agents relating to such securities) by taking positions, directly or indirectly, in the relevant Underlying Reference. Although the relevant Issuer has no reason to believe that such hedging activities will have a material impact on the price of any relevant Underlying Reference, there can be no assurance that such hedging activities will not adversely affect the value of the Notes.

***The terms of the Notes contain no negative pledge, and the Issuer is not prohibited from incurring additional debt***

There is no negative pledge in respect of the Notes and the Terms and Conditions of the Notes place no restrictions on the incurrence by the Issuer or the Guarantor (if applicable) of additional obligations that rank *pari passu* with, or senior to, the Notes. In addition, the Issuer or the Guarantor (if applicable) may pledge assets to secure other notes or debt instruments without granting an equivalent pledge or security interest and status to the Notes.

#### *Bull and Bear Notes*

Bull Notes and Bear Notes (together, the "**Bull and Bear Notes**" or "**Single Final Payout - Leverage Factor Notes**") are designed for very short-term trading or intraday trading and are not intended for buy-to-hold investing. The percentage change in value of the Notes over one day will be the Leverage Factor which is a constant factor for each Note multiplied by the daily performance of the relevant Underlying Reference measured as the percentage change of the reference price from one day to the next day adjusted by the applicable Financing Component (which includes a Fee, an Interest Margin and Hedging Costs and may be positive or negative depending on, amongst other things, prevailing interest rates). Bull Notes aim to produce a performance equal to the Leverage Factor (as specified in the applicable Final Terms) multiplied by the performance of the relevant Underlying Reference whereas Bear Notes aim to produce a performance equal to the Leverage Factor times the inverse performance of the relevant Underlying Reference. However, because the performance of the Notes over any period longer than one day will be derived from the compounded daily performance of the relevant Underlying Reference during that period, such Note's performance may differ significantly to the overall performance of the Underlying Reference over that same period. Accordingly, compared to a Note that measures change in value of the Underlying Reference between two dates, Bull and Bear Notes may have significantly different outcomes depending on the number and direction of changes in the daily value of the Underlying Reference over such period and the order in which such changes occur. Bull and Bear Notes are therefore described as "path-dependent" financial instruments. The potential for divergence between the Performance of the Bull and Bear Notes and the performance of the Underlying Reference over the same period of time will increase as such period becomes

longer and will be most marked in periods when the value of the Underlying Reference is volatile. Consequently, Bull or Bear Notes are only suitable for intra-day trading or very short investment periods.

If "Maturity Extension" is specified as applicable in the applicable Final Terms, the Issuer may elect to either postpone the Maturity Date of the Bull or Bear Notes. Unless a Noteholder exercises its option to request the Issuer to early settle the Notes, the risks of investing in Bull and Bear Notes described above may increase. If a Noteholder exercises its option to request the Issuer to early settle the Notes, such Noteholder may receive less than their original investment, as the Optional Settlement Amount will be calculated based on the performance of the Bull and Bear Notes, as described above, as of the Optional Settlement Valuation Date.

If "Reverse Split" is specified as applicable in the applicable Final Terms and a Reverse Split Event occurs, the Issuer may, at its option, elect that the Notes be consolidated and cancel the Notes held by Noteholders and, in lieu thereof, deliver to Noteholders a reduced number of Bull or Bear Notes of a new series. The new series of Notes issued by the Issuer will have identical terms to the original Bull or Bear Notes, save that the value of the Bull or Bear Notes will be consolidated to reflect the economic effect of reducing the number of Bull or Bear Notes in issue, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. If required, the Issuer will also pay to Noteholders a cash adjustment amount calculated by the Calculation Agent to reflect the economic effect of reducing the number of Bull or Bear Notes in issue, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Upon receiving notice of a reverse split, a Noteholder may exercise its option to request the Issuer to early settle the Notes, in which case, such Noteholder may receive less than their original investment, as the Optional Settlement Amount will be calculated based on the performance of the Bull and Bear Notes, as described above, as of the Optional Settlement Valuation Date.

***There are no events of default under the Unsecured Notes***

The Terms and Conditions of the Notes (other than Secured Notes) do not include events of default allowing for the acceleration of the Notes if certain events occur. Accordingly, if the Issuer or the Guarantor (if applicable) fail to meet any obligations under the Notes, Noteholders will not be able to accelerate the payment of amounts under the Notes. Upon a payment default, the sole remedy available to holders of such Notes for recovery of amounts owing in respect of any payment on such Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer or the Guarantor (if applicable) will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

***Limited exposure to Underlying Reference***

The Notes may provide for the application to the relevant Underlying Reference of a component weight, in order to increase or decrease the percentage of each Underlying Reference used to determine the amounts payable or deliverable to investors. The component weight may be lower than 100 per cent.

In such case, the amounts payable or deliverable to investors will be reduced and, therefore, will contribute to the yield of the Notes only to such reduced extent. The performance of the relevant Underlying Reference(s) will, therefore, impact the yield of the Notes only to a limited extent.

If the applicable Final Terms provide that the exposure of the relevant Notes to one or more Underlying References is limited or capped at a certain level or amount, the relevant Notes will not benefit from any upside in the value of any such Underlying References beyond such limit or cap.

### ***Expenses and taxation***

A holder of Notes must pay all Expenses relating to such Notes. As used in the Conditions, Expenses means all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, sale commissions, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the redemption of such Notes and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Notes as more fully set out in Base Condition 17 (*Expenses and Taxation*) of the Terms and Conditions of the Notes.

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Note by any person and all payments made by the relevant Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted and no additional amount shall be payable to any relevant Noteholder in respect of any such tax, duty, withholding or other payment. The payment of all Expenses by the Noteholders is likely to adversely affect the overall return they achieve on their investment in the Notes.

### ***Other taxation considerations***

It is not possible to predict whether the taxation regime applicable to Notes on the date of purchase or subscription will be amended during the term of the Notes. If such amendments are made, the taxation regime applicable to the Notes may differ substantially from the taxation regime in existence on the date of purchase or subscription of the Notes and such amendments could materially adversely impact the value of any Notes affected by them.

### ***Change of law***

The Terms and Conditions are based on English law or Italian law, as the case may be, in effect as at the date of this Base Prospectus, except for the status provisions applicable to the Notes and the contractual recognition of bail-in powers provisions, and any non contractual obligations arising out of or in connection with such provisions, which shall be governed by, and construed in accordance with, Italian law (if the Notes are issued by Mediobanca) or Luxembourg law (if the Notes are issued by Mediobanca International or MBFL), as applicable. No assurance can be given as to the impact of any possible judicial decision or change to an administrative practice or change to English law or Italian and/or Luxembourg law, as applicable, after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

### ***Procedures of clearing systems***

Unless otherwise provided in the Final Terms, Notes issued under the Programme may be represented by one or more Global Notes and such Global Note will be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system provided in the Final Terms will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. While the Notes are represented by one or more Global Notes the relevant Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for distribution to their account holders. A holder of a beneficial interest in a Global Notes must rely on the procedures of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system to appoint appropriate proxies.

Italian Dematerialised Notes issued under the Programme will be in dematerialised form and evidenced at any time through book entries pursuant to the relevant provisions of Italian legislative decree no. 58/1998, as amended and integrated by subsequent implementing provisions, and in accordance with CONSOB and Bank of Italy Joint Regulation dated 13 August 2018, as amended by Provision Consob and the Bank of Italy of 10 October 2022 and as amended and integrated by subsequent implementing provisions. In no circumstance would physical documents of title be issued in respect of the Italian Dematerialised Notes. While the Italian Dematerialised Notes are represented by book entries, investors will be able to trade their beneficial interests only through Euronext Securities Milan (“**Euronext Securities Milan**”, the commercial name of Monte Titoli S.p.A.) and the authorised financial intermediaries holding accounts on behalf of their customers with Euronext Securities Milan. As the Italian Dematerialised Notes are held in dematerialised form with Euronext Securities Milan, investors will have to rely on the procedures of Euronext Securities Milan and the financial intermediaries authorised to hold accounts therewith, for transfer, payment and communication with the relevant Issuer or Guarantor (if any).

If the applicable Final Terms specify that the Notes will be accepted for settlement in Euroclear UK & Ireland (formerly known as CRESTCo) (“**CREST**”) via the CREST Depository Interest mechanism, investors will hold indirect interests in Notes through CREST through the issuance of CREST Depository Interest (“**CDIs**”) issued, held, settled and transferred through CREST. CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited (the “**CREST Depository**”) to investors (“**CDI Holders**”) pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the “**CREST Deed Poll**”).

The rights of CDI Holders in respect of Notes are represented by the relevant entitlements against the CREST Depository which (through CREST International Nominees Limited or any other body appointed to act as nominee

on behalf of the CREST Depository (the "**CREST Nominee**") holds interests in such Notes. Accordingly, rights under Notes underlying CDIs cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the relevant Issuer, including the CREST Deed Poll. Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules (each as defined in section "*Forms of the Notes*", under paragraph entitled "*Euroclear UK & Ireland Limited*" below) contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities pursuant to or resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of and returns received by CDI Holders may differ from those of Holders of Notes which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service (as defined in section "*Forms of the Notes*", under paragraph entitled "*Euroclear UK & Ireland Limited*" below). These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of Notes through the CREST International Settlement Links Service.

Potential investors should note that none of the relevant Issuer, the Guarantor (if applicable), any Dealer or any Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

#### ***Termination of Notes in the event of illegality or impracticability***

If the relevant Issuer determines that the performance of its obligations under the Notes or that any arrangements made to hedge the relevant Issuer's obligations under the Notes have become (i) illegal in whole or in part for any reason, or (ii) by reason of a force majeure event (such as an act of God, fire, flood, severe weather conditions, or a labour dispute or shortage) or an act of state occurring after the Issue Date (as specified in the applicable Final Terms), impossible or impracticable the relevant Issuer may settle the Notes.

If the relevant Issuer settles the Notes pursuant to an illegality then the relevant Issuer will, if and to the extent permitted by applicable law, pay an amount to each Noteholder in respect of each Note held by such holder, which amount shall be equal to the fair market value of a Note, notwithstanding such illegality less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

If the relevant Issuer settles the Notes by reason of a force majeure event or an act of state, then the relevant Issuer will, if and to the extent permitted by applicable law, pay an amount to each Noteholder in respect of each Note held by such holder, which amount shall be equal to the fair market value of a Note, taking into account the applicable force majeure event or act of state, as the case may be, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

In the cases described above, the amount paid by the Issuer to the Noteholders may be less than the subscription or purchase price of the Notes and may in certain circumstances be zero.

#### ***Post-issuance information***

Save as set out in the applicable Final Terms, the relevant Issuer will not provide post-issuance information in relation to the Underlying Reference. In such an event, investors will not be entitled to obtain such information from the relevant Issuer.

The interest amount payable on the Notes or the amount payable or deliverable at maturity of the Notes may in certain circumstances be changed during the life of the Notes.

If Coupon Switch Election or Automatic Coupon Switch is specified in the applicable Final Terms, the interest rate payable may be switched from one rate or amount to another in the Issuer's discretion (in the case of Coupon Switch Election) or following the occurrence of an Automatic Coupon Switch Event (in the case of an Automatic Coupon Switch). If Payout Switch Election or Automatic Payout Switch is specified in the applicable Final Terms, the amount payable or deliverable on settlement may be switched from one amount payable or deliverable to another in the Issuer's discretion (in the case of Payout Switch Election) or following the occurrence of an Automatic Payout Switch Event (in the case of an Automatic Payout Switch). As a consequence of the exercise of a Coupon Switch Election or Payout Switch Election or the occurrence of an Automatic Coupon Switch Event or Automatic Payout Switch Event, the Underlying Reference may be changed. As the payout on such Notes may be switched during the life of the Notes investors may receive a return which differs from, and may be significantly less than, that which they expected to receive or they may receive no return.

#### ***Impossibility to know the amount of the Notes in circulation on the date of issue***

The Notes may be issued and withheld by the relevant Issuer for the progressive sale on the market in accordance with investors' demand. In this context an investor who acquires the Notes does not know in the moment of subscription or purchase how much of the issued Notes effectively are publicly traded with the consequence that the amount in circulation could be meagre and may not guarantee successively adequate liquidity in the Notes.

#### ***Issue of subsequent tranche***

In the event the relevant Issuer decides to issue further Notes having the same terms and conditions as already existing Notes (in all respects except for the issue price per Note indicated in the applicable Final Terms (the "**Issue Price**"), the Issue Date and/or the first payment of interest amount (if any)) and so that the further Notes shall be consolidated and form a single series with the original Notes, the greater amount of Notes in circulation could lead to greater liquidity in the secondary market with a consequent negative impact on the price of the relevant Notes.

#### *Physical Delivery Requirements and Redemption Risk*

Where "Physical Settlement according to Base Condition 12.1" is specified as applicable in the applicable Final Terms, in order to receive the Entitlement in respect of a Physical Delivery Note, the holder of such Note (acting through the relevant ESM Accountholder, in case of Italian Dematerialised Notes) must (1) deliver or send by authenticated swift message (confirmed in writing) to Euroclear or Clearstream, Luxembourg or any other relevant clearing system (as the case may be), with a copy to the relevant Issuer and the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Notes) a duly completed Physical Delivery Confirmation Notice on or prior to the relevant time on the Maturity Date (in the case of a Physical Delivery Note) and (2) pay the relevant Expenses, together with any other amounts payable. In case of failure to do so the Issuer shall have no obligation to make delivery of the Entitlement in respect of such Note unless and until a duly completed Physical Delivery Confirmation Notice is delivered as provided in the terms and conditions. If the duly completed Physical Delivery Confirmation Notice is delivered after 10.00 a.m. (Brussels or Luxembourg time, as the case may be) on the Maturity Date, delivery of such Entitlement shall be made as soon as possible thereafter but not earlier than the Maturity Date. For the avoidance of doubt, the relevant holder of a Note shall not be entitled to any additional or further payment by reason of the delivery of the Entitlement in respect of such Note occurring after the Maturity Date as a result of such Physical Delivery Confirmation Notice being delivered after 10.00 a.m. (Brussels or Luxembourg time, as the case may be) on the Maturity Date.

In connection with the exercise of Physical Delivery Notes, unless otherwise indicated in the applicable Final Terms, the Calculation Agent may determine that a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity is subsisting. Any such determination may affect the value of the Notes and/or may delay settlement and/or lead to cash settlement rather than physical settlement in respect of the Notes.

In relation to Physical Delivery Notes, under the Mediobanca International Deed of Guarantee and the MBFL Deed of Guarantee, the Guarantor has the right at all times to elect not to deliver or procure delivery of the Entitlement to the holders of Physical Delivery Notes, but in lieu thereof to pay an amount in cash equal to the Guaranteed Final Redemption Amount specified in the applicable Final Terms or determined by the Calculation Agent in accordance with the Terms and Conditions. Such cash payment will constitute a complete discharge of the Guarantor's obligations in relation to such Physical Delivery Notes.

#### *The Barrier Level, Bonus Level and/or Cap Level may not be known until after the Issue Date*

In certain circumstances in respect of SFP Payouts, the Barrier Level, Bonus Level and/or Cap Level may not be known at the issue date of the Notes. In these circumstances, the Final Terms will specify that the Barrier Level,

Bonus Level and/or Cap Level, as applicable, will be the product of a specified percentage and the Closing Level, Closing Price, Italian Notes Reference Price, Relevant Price or Settlement Price, as applicable, of the Underlying Reference on the Strike Date (rounded upwards or downwards as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner). Following the Strike Date, the Issuer will give notice of the actual Barrier Level, Bonus Level and/or Cap Level, as applicable, applicable to the Notes. Prospective investors should review the Final Terms together with the information contained in the notice in order to ascertain the Barrier Level, Bonus Level and/or Cap Level which will apply to the Notes.

***Risks relating to automatic early redemption of the Notes***

In the case of Notes that include an Automatic Early Redemption feature, the longer the time remaining until the scheduled maturity date of the Notes, the higher the probability that an Automatic Early Redemption Event will occur.

In the event that the relevant level, value or price of the Underlying Reference approaches the level that triggers the Automatic Early Redemption Event, the Noteholder may not be able to sell the Notes in the secondary market before the occurrence of the Automatic Early Redemption Event (see also "*Possible illiquidity of the Notes in the secondary market*" above). If the Underlying Reference is listed on a different exchange to that on which the Notes are listed, the Automatic Early Redemption Event may occur outside the normal trading hours of the exchange on which the Notes are listed. In this case, the Noteholder may not have an opportunity to sell the Notes in the secondary market before the Automatic Early Redemption Event occurs.

***Risk of loss following automatic early redemption of the Notes***

In the case of Notes that include an Automatic Early Redemption feature, if the relevant level, value or price of the Underlying Reference(s) reaches the level that triggers the Automatic Early Redemption Event, the product will automatically be settled before the scheduled maturity date. Depending on the applicable payout, the Noteholder may lose some or all of their investment in the Notes.

***Gap risk***

Noteholders will be exposed to the gap risk associated with the relevant level, value or price of the Underlying Reference(s), whereby the relevant level, value or price of one or more Underlying Reference may change suddenly and significantly during the trading day or at the opening of the market. Such change may be positive or negative.

The price of the Notes may include a premium, which includes the cost to the Issuer or its Affiliates of unwinding its hedging positions in relation to the Notes on early redemption of the Notes. The calculation of the premium charged to Noteholders is based on the gap risk associated with the relevant level, value or price of the Underlying Reference(s). The Noteholder will not receive a refund of this premium if an Automatic Early Redemption Event occurs.

***Reform of EURIBOR and other interest rate index and equity, commodity and foreign exchange rate indices***



The Notes may be linked to a "benchmark" as defined under the Benchmark Regulation. The Benchmarks Regulation, *inter alia*: (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The scope of the Benchmarks Regulation is wide and, in addition to applying to so-called "critical benchmark" indices, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in listed financial instruments (including listed Notes), financial contracts and investment funds. In this respect, any changes to a "benchmark" due to the Benchmark Regulation could, *inter alia*: (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; or (iii) lead to the disappearance of the "benchmark".

In such events, depending on the particular "benchmarks" and the applicable terms of the Notes, the Notes could be delisted (if listed), adjusted, redeemed or otherwise impacted and their volatility may be affected.

In addition, the application of the fallback methods to be applied in the event that a "benchmark" to which any Notes is linked has been discontinued following the adoption of a decision to withdraw the authorization or registration as set out in Article 35 of the Benchmark Regulation may expose investors to certain risks connected with the adjustment to the interest or payout calculation as provided for respectively in Condition 7(m) (*Benchmark Rate Replacement*) and Interest Rate Linked Note Condition 9 (*Benchmark Rate Replacement*) and/or may generally produce potential negative consequences for the holders of any Notes linked to such "benchmark".

The Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed critical "benchmarks" are subject to recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such critical "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to a "benchmark".

Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU where used to determine the amount payable under or the value or performance of certain financial instruments for which a request for admission to trading on a trading venue has been made, or which are traded on a trading venue (EU regulated market, EU multilateral trading facility ("**MTF**"), EU organised trading facility ("**OTF**")) or via a systematic internaliser or to measure the performance of certain investment funds with the purpose of tracking the return or defining the asset allocation or computing the performance fees.

The Benchmark Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Benchmarks Regulation**”) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. Similarly to EU Benchmark Regulation, the UK Benchmarks Regulation prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark rate or index, deemed to be a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant “benchmark”.

More broadly, any of the international, national or other reforms or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmarks" and complying with any such regulations or requirements.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any such Notes.

The Conditions of the Notes provide that, if the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Rate Event (as defined in the Conditions) has occurred, the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Benchmark Rate (as further described in Base Condition 7(m) (*Benchmark Rate Replacement*) and Interest Rate Linked Note Condition 9 (*Benchmark Rate Replacement*)) and, if applicable, an Adjustment Spread. If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser and the Issuer cannot agree upon, or cannot select, the Successor Rate or Alternative Benchmark Rate, the Issuer may determine the replacement rate, provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Benchmark Rate, the further fallbacks described in the Conditions shall apply. In certain circumstances, including but not limited to where the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page, the ultimate fallback for the purposes of calculation of interest amount for a particular Interest Period or the value of the Underlying Reference Rate may result in the rate of interest of the last preceding Interest Period or the value of the Underlying Reference Rate of the last preceding Underlying Interest Determination Date being used. This may result in effective application of a fixed rate of interest for Notes initially designated to be floating rate notes. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

The use of a Successor Rate or an Alternative Benchmark Rate may result in interest amount payments and other payments that are substantially lower than or that do not otherwise correlate over time with the payments that

could have been made on the Notes if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Issuer fails to agree a Successor Rate or an Alternative Benchmark Rate or adjustment spread, if applicable with the Independent Adviser, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Benchmark Rate or adjustment spread, if applicable in a situation in which it is presented with a conflict of interest. In addition, while any Adjustment Spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Notes may not do so and may result in the Notes performing differently (which may include payment of a lower interest rate) than they would do if the Interest Rate were to continue to apply in its current form. Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Investors should consider these matters when making their investment decision with respect to the relevant Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national and the possible application of the benchmark replacement provisions of the Notes, investigations and licensing issues in making any investment decision with respect to the Notes linked to a “benchmark” since the rate of interest will be changed in ways which may be adverse to holders of such Notes, without any requirement that the consent of such holders be obtained.

#### ***Administrator/Benchmark Event***

If specified as an Optional Additional Disruption Event in the applicable Final Terms, the occurrence of an Administrator/Benchmark Event may lead to early settlement or adjustment of the Notes, which may include selecting one or more successor benchmarks and making related adjustments to the Notes, including, if applicable to reflect increased costs. An Administrator/Benchmark Event may arise if any of the following circumstances occurs or will occur: (1) a benchmark is materially changed or permanently cancelled, or (2) (i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Notes paying a floating interest rate or linked to an Underlying Interest Rate.

The use of risk-free rates - including those such as the Sterling Overnight Index Average (“**SONIA**”), the Secured Overnight Financing Rate (“**SOFR**”), the euro short-term rate (“**€STR**”) and the daily Swiss Average Rate Overnight (“**SARON**”), as reference rates for securities continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of securities referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuers may in the future also issue Notes referencing SONIA, SOFR, €STR or SARON that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme. The development of risk-free rates for the eurobond/securities markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

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

In particular, investors should be aware that several different methodologies have been used in risk-free rate securities issued to date. International Working Groups have identified all the alternative reference rates (ARRs) as well as various TERM rates (eg. €STR TERM, SONIA TERM, SOFR TERM and TORF) for both LIBOR and EURIBOR. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

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

***Risk-free rates may differ from other inter-bank offered rates in a number of material respects and have a limited history***

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

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the

future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

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

The administrator of SONIA, SOFR, €STR or SARON or any related indices may make changes that could change the value of SONIA, SOFR, €STR or SARON any related index, or discontinue SONIA, SOFR, €STR or SARON or any related index

The Bank of England, the Federal Reserve, Bank of New York, SIX Swiss Exchange AG or the European Central Bank (or their successors) as administrators of SONIA, SOFR, SARON or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR, SARON or €STR, or timing related to the publication of SONIA, SOFR, SARON or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR, SARON or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

**(B) CERTAIN CONSIDERATIONS ASSOCIATED WITH SPECIFIC TYPES OF NOTES**

*Certain Risks Associated with Single Final Payout Notes*

(i) Risks associated with Capital Protection Notes

Capital Protection Notes include: (i) Single Final Payout - Protected Notes and (ii) Single Final Payout - Protected Capped Notes, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and/or automatic early settlement features apply and on whether the final value of the Underlying Reference(s) is at, above, or below a protection level.

(ii) Risks associated with Yield Enhancement Notes

Yield Enhancement Notes include: (i) Single Final Payout - Parity and Exchange Notes, (ii) Single Final Payout

– Double Coupon Notes, (iii) Single Final Payout - Continuous Double Coupon Notes, (iv) Single Final Payout - Leveraged Capped Notes, (v) Single Final Payout - Knock-Out Leveraged Capped Notes, (vi) Single Final Payout - Strike-Out Leveraged Capped Notes, (vii) Single Final Payout - Capped Speed Notes, (viii) Single Final Payout - Capped Bonus Parity Exchange, (ix) Single Final Payout – Capped Bonus Notes, (x) Single Final Payout - Reverse Capped Notes, (xi) Single Final Payout - Continuous Capped Bonus Notes, (xii) Single Final Payout - Continuous Capped Bonus Parity Exchange Notes, (xiii) Single Final Payout - Standard Express Notes, (xiv) Single Final Payout – Continuous Reverse Level Parity Exchange Notes, (xv) Single Final Payout - Standard Step Memory Notes and (xvi) Single Final Payout - Standard Memory Notes, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and whether a cap, knock-out and/or automatic early settlement features apply.

(iii) Risks associated with Participation Notes

Participation Notes include: (i) Single Final Payout - Forex DivReinvested Fees Notes, (ii) Single Final Payout - Continuous Bonus Floored Exchange Parity Notes, (iii) Single Final Payout - Continuous Bonus Floored Notes, (iv) Single Final Payout - Continuous Capped Reverse Level Parity Exchange Notes, (v) Single Final Payout - Upside and Downside Notes, (vi) Single Final Payout - Capped Upside and Downside Notes, (vii) Single Final Payout - Continuous Bonus Barrier Notes, (viii) Single Final Payout - Capped Continuous Bonus Barrier Notes, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and whether knock-in, knock-out and/or automatic early settlement features apply.

(iv) Risks associated with Leverage Notes

Leverage Notes include: (i) Single Final Payout - Lower Collared Knock-Out Notes, (ii) Single Final Payout - Upper Collared Knock-Out Notes, (iii) Single Final Payout - Continuous Lower Knock-Out Notes, (iv) Single Final Payout - Continuous Upper Knock-Out Notes, (v) Single Final Payout – Standard Call and Put Notes, (vi) Single Final Payout - Knock-In Call and Put Notes, (vii) Single Final Payout - Capitalised Call and Put Notes, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and whether knock-in, knock-out and/or automatic early settlement features apply. Additionally, the return may depend on other market factors such as interest rates, the implied volatility of the Underlying Reference(s) and the time remaining until settlement. The effect of leverage on the Notes may be either positive or negative.

(v) Risks associated with Constant Leverage Notes

Constant Leverage Notes include the Single Final Payout - Leverage Factor Notes as described in Annex 1

*(Additional Terms and Conditions relating to Formulas).*

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the daily performance of the Underlying Reference(s) and the operation of an automatic early settlement feature. Constant Leverage Notes are generally suited to short term investments intraday or over a few days. Investments held for a longer period of time may be affected by volatile market conditions which may have a negative impact on the performance of the Underlying Reference(s).

*Certain Risks Associated with MFP Notes*

(i) Risks associated with Multiple Final Payout – Constant Percentage Notes

Multiple Final Payout – Constant Percentage Notes are described in Annex 1 *(Additional Terms and Conditions relating to Formulas)*.

Investors receive a fixed return on the Notes. This payout may be used in conjunction with at least one other payout to provide investors with partial or total capital protection.

(ii) Risks associated with Multiple Final Payout – Normal Performance Notes

Multiple Final Payout – Normal Performance Notes include: (i) Multiple Final Payout – Normal Performance Notes, (ii) Multiple Final Payout – 1-Way Cap Notes, (iii) Multiple Final Payout – 1-Way Floor Notes and (iv) Multiple Final Payout – 2-Way Notes, as described in Annex 1 *(Additional Terms and Conditions relating to Formulas)*.

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and whether participation factor, gearing, cap and/or floor and/or automatic early settlement features apply.

(iii) Risks associated with Multiple Final Payout – Performance Differential Notes

Multiple Final Payout – Performance Differential Notes are described in Annex 1 *(Additional Terms and Conditions relating to Formulas)*.

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on differential in performance between two Underlying References and whether participation factor and/or automatic early settlement features apply.

(iv) Risks associated with Multiple Final Payout - Reverse Convertible Notes

Multiple Final Payout - Reverse Convertible Notes include: (i) Multiple Final Payout – KI –Reverse Convertible Notes, (ii) Multiple Final Payout – KI – Extended Reverse Convertible Notes, (iii) Multiple Final Payout – KO – Extended Reverse Convertible Notes, (iv) Multiple Final Payout – KO –Reverse Convertible Notes, (v) Multiple Final Payout – Vanilla KI Reverse Convertible Notes, (vi) Multiple Final Payout – Vanilla KO Reverse Convertible Notes, (vii) Multiple Final Payout – KIKO Reverse Convertible Notes and (viii) Multiple Final Payout – KIKO Extended Reverse Convertible Notes, as described in Annex 1 *(Additional Terms and Conditions relating*

to Formulas).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and whether a knock-in and/or knock-out event occurs and whether automatic early settlement features apply.

(v) Risks associated with Multiple Final Payout - Vanilla Notes

Multiple Final Payout - Vanilla Notes include: (i) Multiple Final Payout – Plain Vanilla Call Notes, (ii) Multiple Final Payout – Plain Vanilla Call Spread Notes, (iii) Multiple Final Payout – Plain Vanilla Put Notes, (iv) Multiple Final Payout – Plain Vanilla Put Spread Notes, (v) Multiple Final Payout – Plain Vanilla KI Digital Notes, (vi) Multiple Final Payout – Plain Vanilla KO Digital Notes, (vii) Multiple Final Payout – Geared Knock-in Vanilla Call Notes and (viii) Multiple Final Payout – Geared Knock-out Vanilla Call Notes, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return depends on the performance of the Underlying Reference(s) and whether knock-in or knock-out features apply and whether automatic early settlement features apply.

(vi) Risks associated with Multiple Final Payout - Asian Notes

Multiple Final Payout - Asian Notes include: (i) Multiple Final Payout – Standard Asian Notes, (ii) Multiple Final Payout – Standard Collared Asian Spread Notes (iii) Multiple Final Payout Standard Himalaya Notes, and (iv) Multiple Final Payout – Dispersion Notes as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s), which is determined using an averaging method. The return will also depend on whether specific features, such as a cap or lock-in and/or automatic early settlement, apply.

(vii) Risks associated with Multiple Final Payout - Step Notes

Multiple Final Payout - Step Notes include: (i) Multiple Final Payout - 3-Step Knock-in Notes, (ii) Multiple Final Payout - 3-Step Plus Knock-in Notes (iii) Multiple Final Payout - 3-Step Extended Knock-in Notes, (iv) Multiple Final Payout - 3-Step Knock-out Notes, (v) Multiple Final Payout - 3-Step Plus Knock-out Notes, (vi) Multiple Final Payout - 3-Step Extended Knock-out Notes (vii) Multiple Final Payout – 4-Step Notes, (viii) Multiple Final Payout – 4-Step Extended Notes (ix) Multiple Final Payout - Standard 3-Step Knock-in Notes, (x) Multiple Final Payout - Standard 3-Step Knock-out Notes, (xi) Multiple Final Payout - Standard 2-Step Barrier Down Notes (xii) Multiple Final Payout - Standard 2-Step Barrier Up Notes, (xiii) Multiple Final Payout - 2-Step Knock-in Notes and (xiv) Multiple Final Payout - 2-Step Knock-out Notes, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).



Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and whether knock-in or knock-out and/or automatic early settlement features apply.

(vii) Risks associated with Multiple Final Payout - Performance Notes

Multiple Final Payout - Performance Notes include: (i) Multiple Final Payout - Geared Call Performance Notes, (ii) Multiple Final Payout - Multi Performance Notes, (iii) Multiple Final Payout – (Capped) Multi Knock-Out Bonus Performance Notes, (iv) Multiple Final Payout – (Capped) Multi Knock-In Bonus Performance Notes, (v) Multiple Final Payout – 2-Step KI Multi Bonus Notes, (vi) Multiple Final Payout – 3- Step Multi Bonus Notes, (vii) Multiple Final Payout -3- Step Flexi Bonus Notes, (viii) Multiple Final Payout – (Capped) Knock-Out Bonus Performance Notes, (ix) Multiple Final Payout – (Capped) Knock – In Bonus Performance Notes, (x) Multiple Final Payout – Leveraged Performance Notes (xi) Multiple Final Payout – Twin -Win Notes, (xii) Multiple Final Payout – Knock-In Outperformance Notes, (xiii) Multiple Final Payout – Flexi Performance Notes, (xiv) Multiple Final Payout – Hyper-Flexi Performance Notes, (xv) Multiple Final Payout – Flexi Knock-In Performance Notes, (xvi) Multiple Final Payout – Flexi Knock-Out Performance Notes, (xvii) Multiple Final Payout – Hyper-Flexi Knock-In Performance Notes, (xviii) Multiple Final Payout – Hyper-Flexi Knock-Out Performance Notes, (ixx) Multiple Final Payout – Hyper-Flexi Multi Knock-In Performance Notes and (xx) Multiple Final Payout – Hyper-Flexi Multi Knock-out Performance Notes, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and whether knock-in, knock-out and/or automatic early settlement features apply. Depending on the applicable formula, if an automatic early settlement event occurs investors may be exposed to a partial loss of their investment.

(viii) Risks associated with Multiple Final Payout – Capped and Floored Ratchet Notes

Multiple Final Payout - Performance Notes are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and is calculated based on the sum of returns determined on a given formula (which can be capped and/or floored).

(ix) Risks associated with Multiple Final Payout – Weighted Mixed Payouts Notes

Multiple Final Payout – Weighted Mixed Payouts Notes are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and is calculated based on the weighted sum of returns determined using different payout formulas.

(x) Risks associated with Multiple Final Payout – Knock-In Mixed Payouts Notes

Multiple Final Payout – Knock-In Mixed Payouts Notes are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s). The return calculation can be based on various payouts and various mechanisms (including a knock-in feature).

(xi) Risks associated with Multiple Final Payout – Knock-out Mixed Payouts Notes

Multiple Final Payout – Knock-out Mixed Payouts Notes are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s). The return calculation can be based on various payouts and various mechanisms (including a knock-out feature).

(xii) Risks associated with Multiple Final Payout – Max Mixed Payouts Notes

Multiple Final Payout – Max Mixed Payouts Notes are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and is calculated based on the maximum return determined using different payout formulas.

(xiii) Risks associated with Multiple Final Payout – Leveraged Notes

Multiple Final Payout – Leveraged Notes are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes is calculated by reference to a leverage on the positive or negative performance of the Underlying Reference(s).

(xiv) Risks associated with Multiple Final Payout – Best Entry Notes

Multiple Final Payout – Best Entry Notes are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and whether one or more Lock-In Events have occurred.

*Risks Associated with Single FI Notes*

(i) Risks associated with Single FI FX Vanilla Notes

Single FI FX Vanilla Notes are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes depends on the performance of the Underlying Reference(s) and whether knock-in or knock-out features apply.

(ii) Risks associated with Single FI Digital Notes

Single FI Digital Notes include: (i) Single FI Digital Floor Notes, (ii) Single FI Digital Cap Notes, (iii) Single FI Digital Plus Notes and (iv) Continuous FX Wedding Cake Notes, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Notes is fixed or variable and will be dependent upon the performance of the Underlying Reference(s). The return is calculated by reference to various mechanisms (including floor or cap conditions and knock-in and/or knock-out features).

(iii) Risks associated with Single FI Inflation Notes

Single FI Inflation Notes are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Single FI Inflation Notes are capital protected. The return on the Notes depends on the performance of the Underlying Reference(s).

**(C) PRODUCT SPECIFIC RISK FACTORS**

***Certain considerations associated with Index Linked Notes***

*General*

An investment in Index Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On settlement of Index Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of the underlying index/indices. Such underlying index may be a well known and widely published index or an index which may not be widely published or available.

Factors affecting the performance of Indices may adversely affect the value of the Notes. Indices are comprised of a synthetic portfolio of shares, bonds, currency exchange rates, commodities, property or other assets, and as such, the performance of an Index is dependent upon the performance of components of such index, which may include interest rates, currency developments, political factors, market factors such as the general trends in capital markets or broad based indices and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. If an Index does not perform as expected, this will materially and adversely affect the value of Index Linked Notes. In addition the performance of an Index may also be reduced for fees received by the different entities performing activities in connection with such Index (e.g. advisory, reallocation and structuring fees) which may negate any positive performance of the Index and, if the Index performs negatively, increase a Noteholders' loss of investment.

Index Linked Notes pay interest amount(s) calculated by reference to the value of the underlying index/indices.

For the avoidance of doubt, the relevant Issuer and/or its Affiliates may not be able to trade on and hedge its obligations in respect of the index under the Notes notwithstanding the calculation or publication of the level of such index. In the event that any relevant date for valuation is a Disrupted Day for such index, that valuation date shall be the first succeeding day that is not a Disrupted Day and on which the Issuer or relevant affiliate is able to trade on and hedge its obligations in respect of such index, subject to a specified maximum days of disruption, as more fully set out in the Conditions. Where this occurs on (i) the Strike Date for valuation, the Calculation Agent will not be able to determine the initial or strike level for the index or (ii) the final date for valuation, the Calculation Agent will not determine the final level for the index until such time as the disruption is no longer subsisting, or the specified maximum days of disruption has elapsed, whichever is sooner. Investors should be aware that any delay to the determination of the final level of the index may result in a delay in the payment of the Final Redemption Amount.

*Returns on the Notes do not reflect a direct investment in underlying shares or other assets comprising the Index*

The return payable on Notes that reference indices may not reflect the return a potential investor would realise if it actually owned the relevant assets comprising the components of the Index or owned a different form of interest in the relevant Index. For example, if the components of the Indices are shares, holders of Notes will not receive any dividends paid or distributions made on those shares and will not participate in the return on those dividends or distributions unless the relevant Index takes such dividends into account for purposes of calculating the relevant level. Similarly, holders of Notes will not have any voting rights in the underlying shares or any other assets which may comprise the components of the relevant Index. Accordingly, holders of Notes that reference Indices as Underlying Reference may receive a lower payment upon settlement of such Notes than such holder of Notes would have received if it had invested in the components of the Index directly or other comparable instruments linked to the Index.

*A change in the composition or discontinuance of an Index could adversely affect the market value of the Notes*

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

*Certain considerations associated with Share Linked Notes*

*General*

An investment in Share Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On settlement of Share Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of the share(s), GDRs and/or ADRs and/or the physical delivery of a given number of share(s), GDRs and/or ADRs. Accordingly, an investment in Share Linked Notes may bear similar market risks to a direct equity investment and investors should take advice accordingly. Share Linked Notes pay interest amount(s) calculated by reference to the value of the underlying share(s), GDRs and/or ADRs.

In the case of Share Linked Notes, no issuer of the underlying shares will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Notes, and none of the Issuer, the Guarantor (if applicable) or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the share, GDRs and/or ADRs will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the share, GDRs and/or ADRs and therefore the trading price of the Notes.

Except as provided in the Conditions, Noteholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Notes relate.

The performance of Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. These factors are not within the relevant Issuer's control and may result in a decline in the value of the Notes.

#### *Lack of rights in respect of Shares*

Share Linked Notes do not represent a claim against or an investment in any issuer of the relevant share(s) and investors will not have any right of recourse under the Share Linked Notes to any such company or the shares. Share Linked Notes are not in any way sponsored, endorsed or promoted by any issuer of the relevant share(s) and such companies have no obligation to take into account the consequences of their actions for any holders. Accordingly, the issuer of a share may take any actions in respect of such share without regard to the interests of the investors in the Share Linked Notes, and any of these actions could adversely affect the market value of the Share Linked Notes.

#### *Physical delivery of Shares*

Where the Notes linked to Shares include the are Physical Delivery, the Issuer will settle such Share Linked Notes at their maturity by delivering Shares to the investor and the investors will receive such Shares rather than a monetary amount upon maturity. Noteholders will, therefore, be exposed to the issuer of such Shares and the risks associated with such Shares. The investor should not assume that he or she will be able to sell such Shares for a

specific price after the settlement of the Notes, and in particular not for the subscription or purchase price of the Share Linked Notes. Under certain circumstances the Shares may only have a very low value or may, in fact, be worthless. Noteholders may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such Shares.

***Certain considerations associated with ETI Linked Notes***

An investment in ETI Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On settlement of ETI Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of the interests in exchange traded instruments or a basket of interests in exchange traded instruments and/or the physical delivery of a given number of interests in exchange traded instruments. Accordingly, an investment in ETI Linked Notes may bear similar market risks to a direct exchange traded instrument investment, and investors should take advice accordingly. ETI Linked Notes pay interest amount(s) calculated by reference to the value of the interests in exchange traded instruments or the basket of interests in exchange traded instruments.

Whilst interests in exchange traded instruments are traded on an exchange and are therefore valued in a similar manner as a share traded on an exchange, certain provisions related to ETI Linked Notes are similar to the provisions related to funds and Fund Linked Notes.

In the case of ETI Linked Notes, no exchange traded instrument will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Notes, and none of the Issuer, the Guarantor (if applicable) or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such exchange traded instrument contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the interests in the exchange traded instrument will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an exchange traded instrument could affect the trading price of interests in the exchange traded instruments and therefore the trading price of the Notes. ETI Linked Notes do not provide Noteholders with any participation rights in the underlying ETI(s) and, except in certain circumstances in the case of Physical Delivery Notes, do not entitle holders of ETI Linked Notes to any ownership interest or rights in such ETI(s).

Except as provided in the Conditions, Noteholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant exchange traded instruments to which such Notes relate.

***Certain considerations associated with Debt Linked Notes***

An investment in Debt Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On settlement of Debt Linked Notes, Noteholders will receive an amount (if any)

determined by reference to the price or yield of the underlying debt instrument(s) (as specified in the applicable Final Terms) and/or the physical delivery of a given number of debt instrument(s). Accordingly, an investment in Debt Linked Notes may bear similar market risks to a direct debt instrument investment, and investors should take advice accordingly. Debt Linked Notes pay interest amount(s) calculated by reference to the price or yield of the underlying debt instrument(s) (as specified in the applicable Final Terms).

### ***Certain considerations associated with Commodity Linked Notes***

#### *General*

An investment in Commodity Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On settlement of Commodity Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of the commodity, commodity index, commodities and/or commodity indices. Accordingly, an investment in Commodity Linked Notes may bear similar market risks to a direct commodity investment, and investors should take advice accordingly. Commodity Linked Notes pay interest amount(s) calculated by reference to the value of the underlying commodity, commodity index, commodities and/or commodity indices.

Where the Notes are linked to a commodity index, such commodity index may be a well known and widely available commodity index (such as the S&P GSCI®) or a commodity index which may be less well known in which case information (including past performance) may be less readily available. The commodity index may be comprised of futures contracts, mono-indices, or other commodity indices. Pursuant to the operational rules of the relevant commodity index, the commodity index is scheduled to be calculated on a periodic basis (for example on each weekday). In the event that one of the levels, values or prices of a component included in the commodity index is not available for any reason on a relevant day of calculation including, without limitation, (a) where it is a not a business day in respect of that commodity index component or (b) that commodity index component is subject to a market disruption event, then the calculation agent of the commodity index may, but is not obliged to, calculate the level of the commodity index for the relevant day by taking a value for the affected index component on the first day following the end of a specified maximum days of disruption based on the price at which it is able to sell or otherwise realise any hedge position. Such an occurrence may potentially result in a delay in the publication of the commodity index and the level of the commodity index may be affected.

The relevant Issuer and/or its Affiliates may not be able to hedge its obligations in respect of the commodity index under the Notes notwithstanding the calculation and publication of the level of the commodity index. In the event that a Market Disruption Event is occurring on any relevant date for valuation, that valuation date will be postponed until the first succeeding day that is not a Commodity Disrupted Day, subject to a specified maximum days of disruption, as more fully set out in the Conditions. Where this occurs on (i) the Initial Pricing Date or Strike Date for valuation, the Calculation Agent will be unable to determine the initial or strike level for the commodity index and (ii) on the final date for valuation, the Calculation Agent will be unable to determine the final level for the commodity index, until either the Market Disruption Event has ceased or the specified maximum days of disruption have elapsed, whichever is sooner. Investors should be aware that any delay to the determination of the final level of the commodity index may result in a delay in the payment of the Final Redemption Amount.

*Factors affecting the performance of Commodities may adversely affect the value of the relevant Commodity Linked Notes; Commodity prices may be more volatile than other asset classes.*

The prices of commodities may be volatile and may fluctuate substantially if, for example, natural disasters or catastrophes, such as hurricanes, fires, or earthquakes, affect the supply or production of such commodities. Commodity prices also fluctuate due to general macro-economic forces and general market movements. The price of commodities may also fluctuate substantially if conflict or war affects the supply or production of such commodities. If any amount payable in respect of a Note is linked to the price of a commodity, any change in the price of such commodity may result in the reduction of the amount of such payment in respect of a Note. The reduction in the amount payable on the settlement of the Note may result, in some cases, in a Noteholder receiving a smaller sum on settlement of the Note than the amount originally invested in such Commodity Linked Note.

*Commodities may reference physical commodities or commodity contracts, and certain commodity contracts may be traded on unregulated or "under-regulated" exchanges*

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

Commodity contracts may be traded on regulated specialised futures exchanges (such as futures contracts). Commodity contracts may also be traded directly between market participants "over-the-counter" on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. Accordingly, trading in such "over-the-counter" contracts may not be subject to the same provisions as, and the protections afforded to, contracts traded on regulated specialised futures exchanges, and there may therefore be additional risks related to the liquidity and price histories of the relevant contracts and any Notes which reference any such commodity contracts may have reduced liquidity or greater price volatility or be subject to more extensive market disruptions.

In the case of a direct investment in commodity futures contracts, the invested capital may be applied in whole or in part by way of collateral in respect of the future claims of the respective counterparties under the commodity futures contracts. Such capital will generally bear interest, and the interest yield will increase the return of the investor making such direct investment. However, holders of Notes linked to the price of commodity futures contracts do not participate in such interest yields from the hypothetical fully collateralised investment in commodity futures contracts.

*Certain Additional Considerations Associated with Commodity Linked Notes valued by reference to Futures Contracts or Debt Linked Notes, Index Linked Notes or Currency Linked Notes where Futures Price Valuation is specified as applicable.*



Financial futures contracts are standardised futures transactions that are linked to financial instruments (e.g. stocks, bonds, indices, interest rates and foreign currencies). Commodity futures contracts are standardised futures transactions that are linked to commodities (e.g. mineral commodities, agricultural products and precious metals). A futures transaction constitutes the contractual obligation to buy or sell a certain amount or number of the respective underlying at a fixed price and at a predetermined future point in time. Futures contracts are traded on futures exchanges and standardised for this purpose with respect to their contract size, the nature and quality of the underlying as well as delivery places and dates, if any. Generally, there is a strong correlation between the price development of an underlying financial instrument or commodity (each or “**underlying**”) on the spot market and the corresponding futures exchange. However, the price of a futures contract will generally be traded at a premium on, or discount from, the spot price of the underlying. This discrepancy is due to such factors as (i) the need to adjust the spot price due to related expenses (e.g. in the case of commodities, warehousing, transport and insurance costs) and (ii) different methods being used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the underlying, there can be significant differences in the liquidity of the spot and the futures markets.

Investment in futures contracts involves certain other risks, including potential illiquidity. A holder of a futures position may find that such position becomes illiquid because certain exchanges limit fluctuations in such futures contract prices pursuant to “daily limits”. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, contracts can neither be bought nor sold unless holders are willing to trade at or within the limit. This could prevent a holder from promptly liquidating unfavourable positions and subject it to substantial losses. For example, futures contract prices in various underlyings occasionally exceed the daily limit for several days with little or no trading. Such losses could have an adverse effect on the return of Notes linked to the affected futures contracts. Any illiquidity disruption or force majeure event (such as an act of God, fire, flood, severe weather conditions, act of governmental authority or a labour dispute or shortage) is likely to have an adverse effect on the value of or trading in the underlying or futures contracts on such underlying and adversely affect the value of the Notes. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets. Accordingly, Commodity Linked Notes which are linked to commodity futures contracts may provide a different return from Commodity Linked Notes linked to the relevant physical commodity.

Where the Notes are linked to the exchange price of a futures contract, knowledge of the market of the underlying to which the futures contract is linked as well as of the functioning and evaluation factors of futures contracts is necessary to make a valid assessment of the risks associated with the purchase of these Notes.

In the case of Debt Linked Notes, Index Linked Notes or Currency Linked Notes where Futures Price Valuation is applicable, the Notes are exposed to a futures or options contract relating to a synthetic debt instrument (in the case of Debt Linked Notes), an index (in the case of Index Linked Notes) or a rate of exchange (in the case of Currency Linked Notes) and bear similar market risks to a direct investment in such futures or options contract.

*Certain additional considerations associated with Rolling Futures Contract Notes*

Futures contracts have a predetermined expiration date. Holding a futures contract until expiration will result in delivery of the physical underlying or the requirement to make or receive a cash settlement amount. Rolling Futures Contract Notes are valued by reference to futures contracts that have a delivery or expiry month that do not correspond with the term of the Notes. Consequently the futures contracts are "rolled" which means that the futures contract that is nearing expiration (the "**near-dated futures contracts**") is sold before it expires and a futures contract that has an expiration date further in the future (the "**longer-dated futures contracts**") is purchased ("**Rolling**"). In order to maintain an ongoing exposure to such underlyings Rolling of the applicable futures contracts is applied.

An investment in futures contracts where the future is a commodity may increase or decrease through Rolling. Where the price of a near-dated futures contract is greater than the price of the longer-dated futures contract (the underlying is said to be in "**backwardation**"), then Rolling from the former to the latter will result in greater exposure to the longer-dated futures contract. Therefore, any loss or gain on the new positions will be greater than if an investor had synthetically held the same number of underlying contracts as before the Rolling. Conversely, where the price of the near-dated futures contract is lower than the price of the longer-dated futures contract (the underlying is said to be in "**contango**") then Rolling will result in less exposure to the longer-dated futures contract. Therefore, any gain or loss on the new positions will be less than if an investor had synthetically held the same number of underlying contracts as before the Rolling.

Depending on whether the Notes are synthetically "long" or "short" the relevant futures contract, where a futures contract is in contango, this is expected to (though may not) have a negative (in the case of a "long" position) or positive (in the case of a "short" position) effect over time on the value of the Notes. Where a futures contract is in backwardation this is expected to (though may not) have a positive (in the case of a "long" position) or negative (in the case of a "short" position) effect over time on the value of the Notes. Where an underlying contract is in contango, then the price of the longer-dated underlying contract will be expected to (but may not) decrease over time as it nears expiry. In such event, Rolling is expected to have a negative effect (in the case of a "long" position) or positive (in the case of a "short" position) on an investment in the underlying contract. Where an underlying contract is in backwardation, then the price of the longer-dated underlying contract is expected to (but may not) increase over time as it nears expiry. In such event, Rolling is expected to have a positive (in the case of a "long" position) or negative (in the case of a "short" position) effect on an investment in the underlying contract.

If, on any Futures Rollover Date (as defined below), a Market Disruption Event (as defined in Commodity Linked Condition 2), a Commodity Index Adjustment Event (as defined in Commodity Linked Notes Condition 4) or a Non-Commencement or Discontinuance of an Exchange-traded Contract (as defined in Index Linked Notes 9, Debt Linked Notes Condition 6 or Currency Linked Notes Condition 5), as applicable, occurs and it is impossible or materially impracticable for the Calculation Agent to select a futures contract and/or at such time hedge the relevant Issuer's obligations in respect of the Notes then:

- (i) in the case of an Index Linked Note, Debt Linked Note or Currency Linked Note that is a Rolling Futures Contract Note:

- (a) unless Delayed Settlement on Occurrence of Non-Commencement or Discontinuance of an Exchange-traded Contract or (in the case of Index Linked Notes), Highest Value, Market Value or Monetisation Option, is specified as being applicable in the applicable Final Terms, the relevant Issuer may settle the Notes by giving notice to Noteholders in accordance with Condition 16 (*Notices*). If the Notes are so settled the relevant Issuer will pay an amount to each Noteholder in respect of each Note, being settled at an amount equal to the fair market value of such Note, taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16 (*Notices*); or
- (b) if Delayed Settlement on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements and on the Maturity Date shall settle each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Maturity Date at a rate equal to the Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (as specified in the applicable Final Terms); or
- (c) in the case of Index Linked Notes, if Highest Value is specified as being applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Condition 16 (*Notices*), settle all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated as the greater of the fair market value of such Note (notwithstanding any illegality (if applicable) and taking into account any Non-Commencement or Discontinuance of an Exchange-traded Contract) and the Protected Amount specified in the applicable Final Terms, provided that, (x) no costs shall be deducted from such amount and (y) such amount shall include the reimbursement by the Issuer, *pro rata* (calculated from the early maturity date notified to the Noteholders until the scheduled Maturity Date of the Notes of any costs (including but not limited to any structuring costs) paid by Noteholders to the Issuer in the Issue Price of the Notes, such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early settlement;
- (d) in the case of Index Linked Notes, if Market Value is specified as being applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Condition 16

(*Notices*), settle all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated as the fair market value of a Note (notwithstanding the illegality (if applicable) and taking into account any Non-Commencement or Discontinuance of an Exchange-traded Contract) calculated (x) without taking account of any costs and no costs shall be deducted from such amount, and (y) including the reimbursement by the Issuer, *pro rata* (calculated from the early maturity date notified to the Noteholders until the scheduled Maturity Date of the Notes), of any costs (including but not limited to any structuring costs) paid by Noteholders to the Issuer in the Issue Price of the Notes, such an amount to be paid to the Noteholders on the date notified in the notice of early settlement;

(e) in the case of Index Linked Notes, if Monetisation Option is specified as being applicable in the applicable Final Terms the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), settle all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated as:

- (I) the Monetisation Amount (as defined below) (including the reimbursement by the Issuer, *pro rata* (calculated from the early maturity date notified to the Noteholders until the scheduled Maturity Date of the Notes), of any costs (including but not limited to any structuring costs) paid by Noteholders to the Issuer in the Issue Price of the Notes), such amount to be paid by the Issuer (notwithstanding the notice of early settlement) on the Maturity Date; or
- (II) if the Noteholder duly elects to receive the fair market value, as provided below, the fair market value of such Note, such amount to be paid by the Issuer on the date fixed for early settlement, as notified to the Noteholders.

Where:

"**Monetisation Amount**" means, in respect of a Note, an amount equal to the greater of the Protected Amount specified in the applicable Final Terms and the amount calculated by the Calculation Agent as follows:

$$(S + D) \times (1 + r)^n$$

"**S**" is the present value of the Protected Amount of such Note on the date on which the event triggering early settlement occurs;

"**D**" is the market value of the Derivative Component on the date on which the event triggering early settlement occurs;

"**r**" is a hypothetical annual interest rate that would be applied on an equivalent hypothetical debt instrument issued by the Issuer (or the Guarantor, as applicable) with the same time to redemption

as the remaining time to settlement on the Notes from the date fixed for early settlement until the scheduled maturity date of the Notes;

"**n**" is the time remaining until the scheduled maturity date of the Notes, expressed as a number of years; and

"**Derivative Component**" means the option component or embedded derivative in respect of the Note or the interest amount due under the Note in order to enable the Issuer to issue the Note at the issue price and on their applicable terms. The value of the Derivative Component will be determined by the Calculation Agent, taking into account a number of factors, including, but not limited to:

- (A) market prices or values for the underlying reference asset(s) or basis (bases) and other relevant economic variables (such as interest rates; dividend rates; financing costs; the value, price or level of any relevant underlying reference asset(s) or basis (bases) and any futures or options relating to any of them; the volatility of any relevant underlying reference asset(s) or basis (bases); and exchange rates (if applicable));
  - (B) the time remaining until the scheduled maturity date of the Notes;
  - (C) internal pricing models; and
  - (D) prices at which other market participants might bid for the Derivative Component.
- (ii) in the case of a Commodity Linked Note that is a Rolling Futures Contract Note, the relevant Issuer may take such actions as described in Commodity Linked Notes Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) and Commodity Linked Notes Condition 4 (*Adjustments to a Commodity Index*), as applicable (see "*Market Disruption Events relating to Commodity Linked Notes*" and "*Adjustment Events relating to Commodity Index Linked Notes*" below).

Rollover ("**Rollover**") will be effected on the relevant day specified in the applicable Final Terms or the date selected by the Calculation Agent acting in good faith and in a commercially reasonable manner within the Futures Rollover Period specified in the applicable Final Terms (the "**Futures Rollover Date**") within a certain time frame shortly before the expiration date of the current futures contract. Consequently on any Futures Rollover Date, the relevant Issuer will liquidate its positions assumed through the corresponding hedging arrangements in relation to the existing futures contract whose expiration is imminent and will assume corresponding positions in relation to a new futures contract having identical terms but with a different maturity selected by it acting in good faith and in a commercially reasonable manner.

At each Rollover there may be expenses incurred in replacing the futures contract which may have an adverse effect on the return on the Notes.

Prospective investors should be aware that in respect of Rolling Futures Contract Notes, the price difference between the futures involved in each Rollover may have a negative effect on the value of the Notes and in the

long term be higher than the positive performance of the underlying and result in a total loss of the investment in the Notes. Rolling Futures Contract Notes may not be suitable for investors who intend to invest medium to long term.

*Certain Considerations Associated with Inflation Linked Notes*

An investment in Inflation Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On settlement of Inflation Index Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of the underlying inflation index/indices. Inflation Linked Notes pay interest amount(s) calculated by reference to the value of the underlying inflation index/indices.

*Certain considerations associated with Currency Linked Notes*

An investment in Currency Notes will entail significant risks not associated with an investment in a conventional debt security. On settlement of Currency Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of the currency/currencies and/or the physical delivery of a given amount of a currency or currencies. Accordingly, an investment in Currency Linked Notes may bear similar market risks to a direct currency investment, and investors should take advice accordingly. Currency Linked Notes pay interest amount(s) calculated by reference to the value of the underlying currency/currencies.

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Currency Notes. The performance of foreign exchange rates is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to international and domestic political factors, economic factors (including inflation rates in the countries concerned, interest rate differences between the respective countries), economic forecasts, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Measures taken by governments and central banks include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a Settlement Currency that would affect exchange rates and the availability of a Settlement Currency which would affect return on the Currency Linked Notes or ability of the relevant Issuer to make delivery in the Settlement Currency.

Furthermore, investors who intend to convert gains or losses from the exercise, settlement or sale of Currency Notes into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency (or basket of currencies), regardless of other market forces. Investors in Currency Linked Notes risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) do not move in the anticipated direction.

If additional warrants, securities or options relating to particular currencies or particular currency indices are subsequently issued, the supply of warrants and options relating to such currencies or currency indices, as

applicable, in the market will increase, which could cause the price at which the Notes and such other warrants, securities and options trade in the secondary market to decline significantly.

Currency Linked Notes linked to emerging market currencies may experience greater volatility and less certainty as to the future levels of such emerging market currencies or their rate of exchange as against other currencies. See also "*Certain Considerations Associated with Notes linked to emerging markets*".

***Certain considerations associated with Dual Currency Notes***

An investment in Notes in relation to which Dual Currency Notes is specified as being applicable in the Final Terms (such Notes being "**Dual Currency Notes**") will entail significant risks not associated with an investment in a conventional debt security. Fluctuations in exchange rates will affect the value of Dual Currency Notes. Currency values related to the exchange rates may be affected by complex political and economic factors, including governmental action to fix or support the value of an exchange rate, regardless of other market forces. Investors in Dual Currency Notes risk losing their entire investment if the relevant exchange rates do not move in the anticipated direction.

***Certain considerations associated with Fund Linked Notes***

An investment in Fund Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On settlement of Fund Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of the fund shares and/or the physical delivery of a given number of fund shares or units. Accordingly, an investment in Fund Linked Notes may bear similar market risks to a direct fund investment, and investors should take advice accordingly. Fund Linked Notes pay interest amount(s) calculated by reference to the value of the underlying fund shares or units. The price of units or shares in a fund may be affected by the performance of the fund service providers, and in particular the investment adviser.

No Fund Service Provider will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Fund Linked Notes, and none of the Issuer, the Guarantor (if applicable) or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of fund shares or units contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the fund shares or units will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of fund shares or units could affect the trading price of the fund shares or units and therefore the trading price of the Notes. Fund Linked Notes do not provide Noteholders with any participation rights in the underlying Fund(s) and except in certain circumstances in the case of Physical Delivery Notes, do not entitle holders of Fund Linked Notes to any ownership interest or rights in such Fund(s).

Except as provided in the Conditions, Noteholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant fund shares or units to which such Notes relate.

### *Certain considerations associated with Futures Linked Notes*

An investment in Futures Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On settlement of Futures Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of the futures contract or basket of futures contracts. Accordingly, an investment in Futures Linked Notes may bear similar market risks to a direct futures contract investment, and investors should take advice accordingly. Futures Linked Notes pay interest amount(s) calculated by reference to the value of the underlying futures contract or basket of futures contracts.

### *Additional risk factors for Credit Linked Notes*

#### *General*

The Issuers may issue Notes ("**Credit Linked Notes**") where the amount payable is dependent upon whether certain events ("**Credit Events**") have occurred in respect of one or more Reference Entities and, if so, on the value of certain specified assets of such Reference Entity/Entities. Credit Linked Notes are Notes in respect of which the relevant Issuer has effectively bought protection on one or more Reference Entities from the Noteholders and payments on such Notes and/or Note such Issuer's obligation is to deliver certain specified assets, will depend on the occurrence of a Credit Event with respect to such Reference Entities.

The price of such Notes may be volatile and will be affected by, amongst other things, the time remaining to the maturity date and the creditworthiness of the Reference Entities, which in turn may be affected by the economic, financial and political events in one or more jurisdictions. In purchasing Credit Linked Notes, investors assume credit exposure to both the specified Reference Entity or Reference Entities and the Issuer (and the Guarantor, if applicable) of the Credit Linked Notes. The credit risk to investors may further be increased if the specified Reference Entity or Reference Entities are concentrated in the same industry sector or geographic area as the Issuer (or the Guarantor, if applicable).

Where the Notes provide for physical delivery, to the extent this is allowed under the applicable laws and regulations in force from time to time, the relevant Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the specified maturity date or (b) assets which the relevant Issuer and/or any Affiliate has not received under the terms of any transaction entered into by the relevant Issuer and/or such Affiliate to hedge such Issuer's obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and, as a result, the amount payable on settlement. Prospective investors should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions should apply to the Notes.



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

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

A subscription or purchase of Credit Linked Notes does not constitute an investment in, or short selling, any obligations of the Reference Entity/ies, or of any interest in any such obligations. Noteholders of the Credit Linked Notes will have rights solely against the relevant Issuer of the Credit Linked Notes and will not have any rights against any Reference Entity. In particular, Noteholders will not have: (a) the right to vote or give or withhold from giving any consent in relation to any obligation of any Reference Entity; (b) the right to receive any coupons, fees or other distributions which may be paid by any Reference Entity to holders of the any obligations of any Reference Entity; or (c) the right to receive any information from any Reference Entity. Accordingly, an investment in the Credit Linked Notes is not equivalent to an investment in, or short selling of, any obligation of a Reference Entity relating to such Credit Linked Notes.

Noteholders should also note that a Credit Event may occur even if the obligations of a Reference Entity are unenforceable or their performance is prohibited by any applicable law or exchange controls.

*A Credit Event may occur prior to the Trade Date*

Noteholders of Credit Linked Notes may suffer a loss of some or all of the settlement amount of the Notes in respect of one or more Credit Events that occur prior to the Trade Date or the Issue Date, if the Credit Event Backstop Date is specified as a date falling prior to such date. Accordingly, the Noteholder of Credit Linked Notes will be exposed to the risk of the occurrence of any Credit Event after the applicable Credit Event Backstop Date even if it occurs prior to the Issue Date, which may be several weeks after the Trade Date. If the Reference Entity suffers a Credit Event prior to the Issue Date (or if the Credit Event Backstop Date is specified as a date falling on or after the Issue Date, on or after such date), and a Credit Event Notice, and a Notice of Publicly Available Information (if applicable) are properly delivered, which may occur on or shortly after the Issue Date of the Notes, such Notes will be subject to exercise, at or shortly after the Issue Date. No interest will be paid on such Notes. Neither the Calculation Agent or the relevant Issuer nor any of their respective Affiliates has any responsibility to inform any Noteholder, or avoid or mitigate the effects of a Credit Event that has taken place prior to the Trade Date or the Issue Date.

*Increased credit risks associated with First-to-Default and Nth-to-Default Credit Linked Notes*

Where the Notes are First-to-Default Credit Linked Notes, the Notes will be subject to settlement in full as described above upon the occurrence of the first Credit Event in relation to any of the Reference Entities. The credit risk to Noteholders may therefore be increased as a result of the concentration of Reference Entities in a particular industry sector or geographic area or the exposure of the Reference Entities to similar financial or other risks.

Where the Notes are Nth-to-Default Credit Linked Notes, the Notes will be subject to settlement in full as described above upon the occurrence of a Credit Event in relation to the nth Reference Entity. The credit risk to Noteholders may therefore be increased as a result of the concentration of Reference Entities in a particular industry sector or geographic area or the exposure of the Reference Entities to similar financial or other risks.

*Additional credit risks associated with Basket Credit Linked Notes*

Where the Notes are Basket Credit Linked Notes and a Distribution End Date is specified in the Final Terms, the Final Terms shall specify whether "Distribution Period Settlement", "Settlement at Maturity" or "Distribution Period Event Determination Date Disapplication" applies. If "Distribution Period Settlement" applies and an Event Determination Date occurs on or prior to the Distribution End Date, Noteholders of such Credit Linked Notes will suffer a loss of interest and the Notes will be settled, in part, early.

*Noteholders increased risks associated with Tranched Credit Linked Notes*

Tranched Credit Linked Notes create leveraged exposure to the credit risk of the Reference Entities as the implicit portfolio size or size of the aggregate notional amount of the Reference Portfolio is significantly larger than the aggregate notional amount of the Credit Linked Notes. Investors can lose a significant part or all of their investment even if a Credit Event occurs in respect of only one or a few of the Reference Entities comprising the Reference Portfolio. The value of the Tranched Credit Linked Notes may be more volatile and credit losses in respect of the Tranched Credit Linked Notes may be greater than would be the case in the absence of such leverage. The value of the Tranched Credit Linked Notes may also be adversely affected by changes in the relative value of different tranches of credit risk on the Reference Portfolio. Such relative value changes may occur as a result of, for example, changes in assumptions by market participants to model the credit risk of the Reference Portfolio, correlation between the Reference Entities, as well as changes in the supply of and demand for credit protection in relation to each such tranche are exposed to risk on Reference Entities.

Where Cash Settlement or Auction Settlement applies, the occurrence of a Credit Event in relation to any Reference Entity from time to time may result in a settlement of the Notes in a reduced settlement amount or at zero, and, (if applicable) in a reduction of the amount on which interest is calculated. Where Physical Settlement applies, the occurrence of a Credit Event may result in the settlement of the Notes based on the valuation (or by delivery) of certain direct or indirect obligations of the affected Reference Entity, which obligations are likely to have a market value which is substantially less than their par amount.

*Issuer and Calculation Agent will act in their own interests*

Each of the Issuers and the Calculation Agent will exercise its rights under the terms of the Credit Linked Notes, including in particular the right to designate a Credit Event and the right to select obligations of the affected Reference Entity for valuation or in respect of the Notes, delivery, in its own interests and those of its Affiliates, and not in the interests of investors in the Notes. The exercise of such rights in such manner, for example by the selection of the eligible obligations of the Reference Entity having the lowest possible market value for valuation, may result in an increased credit loss for holders of the Credit Linked Notes. The exercise of such discretion by the Issuer or Calculation Agent could adversely affect (i) the value of the amount in cash, if any, which will be paid in respect of any Notes on the applicable maturity date, if any, or (ii) the market value of the portfolio of obligations the relevant Issuer will Deliver.

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 shall (in the absence of manifest error) be final and binding on the Noteholders. In performing its duties pursuant to the Notes and making any determinations expressed to be made by it, for example, as to substitute Reference Obligations or Successors, the Calculation Agent shall act in its sole and absolute discretion and is under no obligation to act in the interests of the Noteholders, nor will it be liable to account for any profit or other benefit which may accrue to it as a result of such determinations. The Calculation Agent is not bound to follow, or act in accordance with, any determination of the relevant Credit Derivatives Determinations Committee.

*Actions of Reference Entities may affect the value of the Credit Linked Notes*

Actions of Reference Entities (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of the Credit Linked Notes. Noteholders of the Credit Linked Notes should be aware that the Reference Entities to which the value of the Notes is exposed, and the terms of such exposure, may change over the term of the Notes.

*Suspension of Obligations will suspend payment of principal and interest*

In certain circumstances, pending a resolution of a Credit Derivatives Determination Committee, all of the obligations of the relevant Issuer under each Credit Linked Note (including any obligation to deliver any notices, pay any settlement amount) shall, be and remain suspended until ISDA publicly announces that the relevant Credit Derivatives Determination Committee has resolved the matter in question or not to determine such matters. The Calculation Agent will provide notice of such suspension as soon as reasonably practicable; however, any failure or delay by the Calculation Agent in providing such notice will not affect the validity or effect of such suspension. No interest shall accrue on any payments which are suspended in accordance with the above.

*Use of Auction Settlement may adversely affect returns to Noteholders*

Where the Credit Linked Notes are settled following the occurrence of a Credit Event by reference to an auction sponsored by ISDA, the relevant Issuer or its Affiliates may act as a participating bidder in any such auction and, in such capacity, may take certain actions which may influence the Auction Final Price including (without

limitation) submitting bids, offers and physical settlement requests with respect to the obligations of the Reference Entity. If the relevant Issuer or its Affiliates participate in an Auction, then they will do so without regard to the interests of Noteholders, and such participation may have a material adverse effect on the outcome of the relevant Auction and/or on the Credit Linked Notes. Noteholders will have no right to submit bids and/or offers in an Auction.

The Auction Final Price determined pursuant to an auction may be greater than the market value that would otherwise have been determined in respect of the specified Reference Entity or its obligations. In particular, the Auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a relevant third party. Neither the Calculation Agent, the relevant Issuer nor any of their respective Affiliates has any responsibility for verifying that any auction price is reflective of current market values, for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. The relevant Issuer will have no responsibility to dispute any determination of an Auction Final Price or to verify that any Auction has been conducted in accordance with its rules.

Following an M(M)R Restructuring Credit Event in relation to which ISDA sponsors multiple concurrent auctions, but where there is no relevant auction relating to credit derivative transactions with a maturity corresponding to the Credit Linked Notes, if the Calculation Agent exercises the right of the buyer or, as the case may be, seller of credit risk protection under the Credit Linked Notes to elect that the Auction Final Price is determined by reference to an alternative Auction, the Auction Final Price so determined may be lower than the amount which would have been determined based on quotations sought from third party dealers, thereby reducing the amount payable to Noteholders.

*Use of Cash Settlement may adversely affect returns to Noteholders*

If the Notes are cash settled, then, following the occurrence of a Credit Event, the Calculation Agent will be required to seek quotations in respect of selected obligations of the affected Reference Entity. Quotations obtained will be "bid-side" - that is, they will be reduced to take account of a bid-offer spread charged by the relevant dealer. Such quotations may not be available, or the level of such quotations may be substantially reduced or may vary substantially as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the affected Reference Entity (for example, liquidity constraints affecting market dealers). Accordingly, any quotations so obtained may be significantly different from the value of the relevant obligation which would be determined by reference to (for example) the present value of related cashflows. Quotations will be deemed to be zero in the event that no such quotations are available.

*"Cheapest-to-Deliver" risk*

Since the Issuer, as buyer of protection in respect of the Notes has discretion to choose the portfolio of obligations and/or assets to be valued or delivered following a Credit Event in respect of a Reference Entity, it is likely that the portfolio of obligations and/or assets selected will be obligations of the Reference Entity and/or assets with

the lowest market value that are permitted to be selected pursuant to the terms of the Notes. This could result in a lower recovery value and hence greater losses for investors in the Notes.

*Cash settlement (whether by reference to an auction or a dealer poll) may be less advantageous than physical delivery of assets*

Payments on the Credit Linked Notes following the occurrence of an Event Determination Date may be in cash and will reflect the value of relevant obligations of the affected Reference Entity at a given date. Such payments may be less than the recovery which would ultimately be realised by a holder of debt obligations of the affected Reference Entity, whether by means of enforcement of rights following a default or receipt of distributions following an insolvency or otherwise.

*Asset Package Delivery risks*

The 2014 Definitions introduced the concept of asset package delivery. In certain circumstances where (a) "Financial Reference Entity Terms" and "Governmental Intervention" applies in respect of a Reference Entity and (i) there is a Governmental Intervention Credit Event; or (ii) a Restructuring Credit Event in respect of the Reference Obligation where such Restructuring does not constitute a Governmental Intervention or (b) a Restructuring Credit Event in respect of a Sovereign, then a related asset package resulting from a prior deliverable obligation (where "Financial Reference Entity Terms" apply) or package observable bond (where the Reference Entity is a sovereign) may also be deliverable. The asset package would be treated as having the same outstanding principal as the corresponding prior deliverable obligation or package observable bond.

If the resulting asset package is deemed to be zero where there are no resulting assets, the related credit loss will be 100 per cent. notwithstanding the recovery value on any other obligations of the Reference Entity.

The risk factors "*Use of Auction Settlement may adversely affect returns to Noteholders*" and "*Use of Cash Settlement may adversely affect returns to the Noteholders*" above would apply to any asset or asset package.

If an asset in the asset package is a non-transferable instrument or non-financial instrument, the value of such asset will be the market value determined by reference to a specialist valuation or in accordance with methodology determined by the Credit Derivatives Determinations Committees. See "*Conflicts of Interest - Credit Derivatives Determinations Committees*" and "*Risks associated with Credit Derivatives Determinations Committees*" for risk factors relating to valuation in accordance with CDDC methodology.

*Increased risks where "Zero Recovery" or a specified Final Price is applicable*

Where "Zero Recovery" is applicable, if a Credit Event occurs in respect of a Reference Entity, investors will automatically lose an amount in principal or notional amount of the Credit Linked Note equal to the portion of the Credit Linked Note which is allocated to the credit risk of the affected Reference Entity. Investors should note that, in such circumstances, the Auction Final Price, Weighted Average Final Price or Final Price (which would otherwise apply in the absence of "Zero Recovery") or the recovery on any investments in bonds or other instruments issued by such Reference Entity will be higher (and may be significantly higher) than the zero

recovery value ascribed to such Reference Entity under the Notes. Likewise, if the Final Price is specified in the Final Terms in relation to Credit Linked Notes, such fixed Final Price may be lower (and may be significantly lower) than the recovery which an investor in bonds or instruments issued by such Reference Entity would receive. Furthermore, both where "Zero Recovery" or a specified Final Price is applicable, the market value of the Credit Linked Notes may not reflect the market value of a credit default swap on the Reference Entity or any other products linked to or issued by the Reference Entity which may be significantly higher.

*The Issuer and Calculation Agent are not obliged to disclose information on Reference Entities*

The relevant Issuer and the Calculation Agent are not obliged to disclose to holders of the Notes any information which they may have at the Issue Date or receive thereafter in relation to any Reference Entity.

*The value of the Credit Linked Notes may be adversely affected by Illiquidity or Cessation of Indices*

In determining the value of the Credit Linked Notes, dealers may take into account the level of a related credit index in addition to or as an alternative to other sources of pricing data. If any relevant index ceases to be liquid, or ceases to be published in its entirety, then the value of the Notes may be adversely affected.

*Historical performance may not predict future performance*

Individual Reference Entities may not perform as indicated by the historical performance of similar entities and no assurance can be given with respect to the future performance of any Reference Entities. Historical default statistics may not capture events that would constitute Credit Events for the purposes of the Credit Linked Notes.

*Limited provision of information about the Reference Entities*

Investors should conduct their own investigation and analysis with respect to the creditworthiness of Reference Entities and the likelihood of the occurrence of a Succession Event or Credit Event.

Reference Entities may not be subject to regular reporting requirements under securities laws. The Reference Entities may report information in accordance with different disclosure and accounting standards. Consequently, the information available for such Reference Entities may be different from, and in some cases less than, the information available for entities that are subject to the reporting requirements under the United Kingdom securities laws. None of the Issuers or the Calculation Agent or any of their respective Affiliates make any representation as to the accuracy or completeness of any information available with respect to the Reference Entities.

None of the Issuers or the Calculation Agent or any of their respective Affiliates will have any obligation to keep investors informed as to any matters with respect to the Reference Entities or any of their obligations, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event or a Succession Event with respect to the Reference Entities.

Prospective investors should note that in certain circumstances, there may be no requirement for the relevant Issuer to give information which is generally publicly available in relation to the occurrence of a Credit Event. If

a Credit Event occurs in respect of an Obligation of a Reference Entity which is not public, Noteholders of the Credit Linked Notes may not be able to verify the occurrence of such Credit Event.

*Risks associated with Credit Derivatives Determinations Committees*

The institutions of the Credit Derivatives Determinations Committee owe no duty to the Noteholders and have the ability to make determinations that may materially affect the Noteholders, such as the occurrence of a Credit Event or a Succession Event. A Credit Derivatives Determinations Committee may be able to make determinations without action or knowledge of the Noteholders.

Noteholders may have no role in the composition of any Credit Derivatives Determinations Committee. Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on a Credit Derivatives Determinations Committee and the Noteholders may have no role in establishing such criteria. In addition, the composition of a Credit Derivatives Determinations Committee will change from time to time in accordance with the Rules, as the term of an institution may expire or an institution may be required to be replaced. The Noteholders may have no control over the process for selecting institutions to participate on a Credit Derivatives Determinations Committee and, to the extent provided for in the Notes, will be subject to the determinations made by such selected institutions in accordance with the Rules.

Noteholders may have no recourse against either the institutions serving on a Credit Derivatives Determinations Committee or the external reviewers. Institutions serving on a Credit Derivatives Determinations Committee and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the Rules, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the institutions on a Credit Derivatives Determinations Committee do not owe any duty to the Noteholders and the Noteholders will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

Noteholders should also be aware that institutions serving on a Credit Derivatives Determinations Committee have no duty to research or verify the veracity of information on which a specific determination is based. In addition, a Credit Derivatives Determinations Committee is not obligated to follow previous determinations and, therefore, could reach a conflicting determination on a similar set of facts. If the relevant Issuer or the Calculation Agent or any of their respective Affiliates serve as a member of a Credit Derivatives Determinations Committee at any time, then they will act without regard to the interests of the Noteholders.

Noteholders are responsible for obtaining information relating to deliberations of a Credit Derivatives Determinations Committee. Notices of questions referred to the Credit Derivatives Determinations Committee, meetings held to deliberate such questions and the results of binding votes will be published on the ISDA website and neither the relevant Issuer, the Calculation Agent nor any of their respective Affiliates shall be obliged to inform the Noteholders of such information (other than as expressly provided in respect of the Notes). Failure by the Noteholders to be aware of information relating to deliberations of a Credit Derivatives Determinations Committee will have no effect under the Notes and Noteholders are solely responsible for obtaining any such information.

Investors should read the Credit Derivatives Determinations Committees Rules as amended from time to time as set out on the ISDA Credit Derivatives Determinations Committees website, <https://www.cdsdeterminationscommittees.org/dc-rules/> and reach their own views prior to making any investment decisions. Investors should however note that the Rules may subsequently be amended from time to time without the consent or input of the Noteholders and the powers of the Credit Derivatives Determinations Committee may be expanded or modified as a result.

*Multiple Auctions following Restructuring Credit Event*

Where multiple concurrent Auctions are held following a Restructuring Credit Event, the relevant Issuer may be entitled to select a particular Auction for the purposes of settlement of the Credit Linked Notes. The relevant Issuer will make such election acting in its own interests and not in the interests of the Noteholders.

*The Calculation Agent may modify the terms of the Credit Linked Notes*

The Calculation Agent may, following its determination that there has been a change in the prevailing market standard terms or market trading conventions that affects any hedging transaction, modify the terms of the Credit Linked Notes to the extent reasonably necessary to ensure consistency with the prevailing market standard terms or market trading conventions, without the consent of Noteholders or prior notice to Noteholders. The Calculation Agent is not obliged to make any such modifications. If the Calculation Agent modifies the terms of the Credit Linked Notes, it will do so without regard to the interests of the holders of the Credit Linked Notes and any such modification may be prejudicial to the interests of the holder of the Credit Linked Notes.

*The Calculation Agent may modify the terms of the Notes*

The Calculation Agent may, following its determination that there has been a change in the prevailing market standard terms or market trading conventions that affects any hedging transaction, modify the terms of the Notes to the extent reasonably necessary to ensure consistency with the prevailing market standard terms or market trading conventions, without the consent of Noteholders or prior notice to Noteholders. The Calculation Agent is not obliged to make any such modifications. If the Calculation Agent modifies the terms of the Notes, it will do so without regard to the interests of the holders of the Notes and any such modification may be prejudicial to the interests of the holder of the Notes.

*Certain considerations associated with Hybrid Notes*

An investment in Hybrid Notes will entail significant risks not associated with an investment in a conventional debt security. On settlement of Hybrid Notes, Noteholders will receive an amount (if any) determined by reference to the value of a number of different Underlying References. Hybrid Notes pay interest amount(s) calculated by reference to the value of a number of different Underlying References.

**(D) RISKS RELATING TO SECURED NOTES**

*Factors which are material for the purpose of assessing the risks associated with the Mortgaged Property*



### *Collateral*

If the Notes are Secured Notes in order to secure its obligations under a Series of Notes, MBFL will grant to the Security Trustee on behalf of the Noteholders security over the Collateral Assets or its rights in respect of the Collateral Assets. Where Charged Agreement/Collateral Arrangements are specified as applying in the Final Terms then the Counterparty may be obliged under the Transfer Agreement, Credit Support Document and/or any Additional Charged Agreement to transfer the relevant Collateral Assets to MBFL from time to time. The purpose of the Charged Agreements may also be to allow MBFL to perform its scheduled obligations under the Secured Notes, all as described more fully in the applicable Final Terms. Where Collateral Arrangements Only is specified as applying the Final Terms it will be the responsibility of MBFL or, failing MBFL, the Guarantor to provide the relevant Charged Assets and MBFL may have certain obligations or rights to adjust the Collateral Assets from time to time.

### *Shortfall on Realisation of Mortgaged Property*

If the Notes are Secured Notes the security provided for a Series of Notes is limited to the Mortgaged Property in respect of such Series. The proceeds of realisation of the Mortgaged Property may be less than the sums due to the Noteholders in respect of such Series. In the event that a Shortfall exists, MBFL or, failing MBFL, the Guarantor shall remain liable for the Shortfall pursuant to the terms of the Guarantee. Any Shortfall will constitute an unsecured claim by the Noteholders against MBFL or, if MBFL fails to make payment of such amount, the Guarantor. Investors should be aware that they are therefore exposed to the creditworthiness of MBFL and the Guarantor. In the event of the insolvency of MBFL and the Guarantor, investors may lose all or a substantial portion of their investment.

### *Adjustment of Collateral Assets*

Where Charged Agreement/Collateral Arrangements are specified as applying in the Final Terms then pursuant to the terms of the relevant Charged Agreement(s) and if so specified in the applicable Final Terms, MBFL and the Counterparty may transfer amounts of cash or securities to each other by way of credit support from time to time. Such amounts when held by MBFL will comprise part of the Collateral Assets. Investors should review carefully such provisions to understand the effect of these on the Notes. One possible approach is that the Counterparty may calculate the fair market value of the Secured Notes and the fair market value of Collateral Assets (taking into account all factors which the Counterparty deems relevant), and provided that no account shall be taken of the financial condition of (i) MBFL which shall be presumed to be able to perform fully its respective obligations under the Secured Notes or (ii) the Guarantor which shall be presumed to be able to perform fully its obligations under the Guarantee, and on such periodic basis as set out in the applicable Final Terms and the relevant Charged Agreement(s). In the event that on the date of valuation there is a mismatch between the fair market value of the Collateral Assets and the fair market value of the Secured Notes, the Counterparty shall deliver Collateral Assets and, as applicable, MBFL shall redeliver Collateral Assets to the Counterparty pursuant to the Credit Support Document, if applicable. If, prior to a valuation date, the fair market value of the Secured Notes increases, or the fair market value of the Collateral Assets decreases, investors will be exposed to the mismatch

between the fair market value of the Secured Notes and the fair market value of the Collateral Assets until the next valuation date.

Where Collateral Arrangements Only is specified as applying in the Final Terms the terms of the Secured Notes may provide that the Collateral Assets may be adjusted in accordance with the terms of Secured Notes Condition 5 (*Adjustment of Collateral Assets*). Such adjustment will be as specified in the applicable Final Terms and may be in whole or in part and may be for cash or other assets. Such adjustment may involve MBFL topping up, removing, maintaining and/or substituting Collateral Assets and this may diminish or have an adverse effect on the value of the Collateral Assets in some circumstances.

The following considerations apply principally where Collateral Arrangements Only is specified as applying the Final Terms. However it is possible that similar features may be specified where Charged Agreement/Collateral Arrangements are specified as applying in the Final Terms:

- The relevant adjustment rights of MBFL in respect of the Collateral Assets where applicable will be specified in the Final Terms. In the case where MBFL has the right but not the obligation to top up the Collateral Assets Noteholders should be aware that no assurance expressed or implied can be given that in any circumstances MBFL will exercise its right to provide any additional Collateral Assets. As a result Collateral Assets may be limited to the Initial Collateral Assets at all times.
- Where specified in the Final Terms MBFL may have the right to remove excess Collateral Assets at any time to the extent that they are not then required to meet the relevant coverage requirement specified in the Final Terms. However, in this case investors should note that MBFL may be under no obligation to return the Collateral Assets at any time following the removal. It is possible that the relevant coverage requirement in respect of the Collateral Assets will not be met. As a result the Collateral Assets will be less than if MBFL had not exercised such right.
- In certain cases MBFL may have the right to substitute Collateral Assets and this may either be with the requirement that the value of the Collateral Asset is immediately following the substitution remains at least equal to their value immediately prior to the substitution or it may be by reference to the requirement that the relevant coverage requirement for the Collateral Assets continues to be met immediately following the substitution. Where MBFL exercises any substitution right this may have a detrimental effect on the available Collateral Assets and their quality which may be disadvantageous to Noteholders. Any such substitution right may be exercised any number of times.

Investors should note that MBFL will only have an obligation to maintain the Collateral Assets where this is so specified in the Final Terms. In this case the maintenance obligation may be by reference to the nominal value of Collateral Assets or otherwise the value of the Collateral Assets determined as specified in the terms and conditions and the Final Terms. Investors should review carefully these provisions in order to understand clearly the way in which these may operate and their effect on the value of the Secured Notes. In the event that under Condition 5 (*Adjustment of Collateral Assets*), MBFL or under the Credit Support Document (if applicable) the Counterparty is required to deliver additional Collateral Assets, MBFL and/or the Counterparty shall do so as

soon as practicable following the relevant valuation date. There may be a delay between the valuation date and the date on which MBFL and/or the Counterparty is able to deliver such additional Collateral Assets and investors will be exposed to the mismatch between the fair market value of the Secured Notes and the value of the Collateral Assets during such period.

*Potential Conflicts of Interest between the Investors and the Counterparty*

This section applies where Charged Agreement/Collateral Arrangements are specified as applying in the Final Terms. Various potential and actual conflicts of interest may arise between the interests of the Noteholders and the Counterparty, which is likely to be an affiliate of MBFL. Neither the Counterparty nor its affiliates is required to resolve such conflicts of interest in favour of the Noteholders and may pursue actions and take such steps that it deems necessary or appropriate to protect its interests without regard to the consequences for the Noteholders. In particular, the interests of the Counterparty may be adverse to those of the Noteholders. The terms of the Transfer Agreement and, if applicable, the Credit Support Document require the Counterparty to make certain determinations and exercise certain discretions (including as to the value of the Secured Notes and the Collateral Assets) and it may make such determinations and exercise such discretions without any regard for the interests of the Noteholders.

*Collateral Management*

In respect of certain Series of Secured Notes MBFL and, where applicable, the Counterparty may each appoint one or more agents to perform custodial and administrative functions relating to their obligations under the Secured Notes, the Transfer Agreement, the Collateral Assets or the Credit Support Document, as applicable. Such delegation shall not relieve MBFL or the Counterparty, where applicable, of their obligations under the Secured Notes, the relevant Transfer Agreement, the Collateral Assets or Credit Support Document, as applicable, and MBFL or the Counterparty shall be liable for the acts and omissions of their agents. In addition, a failure by any agent to perform its duties and obligations with respect to the Collateral Assets, or the occurrence of any adverse event in relation to any of those entities, may adversely affect the availability of the Collateral Assets, and consequently adversely affect the realisation of the Mortgaged Property.

*Possible mandatory redemption or cancellation following termination of the Transfer Agreement or Credit Support Document*

Where Charged Agreement/Collateral Arrangements are specified as applying in the Final Terms then if the Transfer Agreement or, if applicable, Credit Support Document is terminated in accordance with its terms prior to its stated date of termination, MBFL may, if such right is specified in the Final Terms, redeem or cancel, as applicable, the Secured Notes in whole but not in part by payment of the Early Redemption Amount together with any accrued interest. Following such redemption or cancellation an investor generally may not be able to reinvest the redemption or cancellation proceeds in a comparable security with an effective return as high as the return on the relevant Secured Notes. If the Transfer Agreement or Credit Support Document, as applicable, is terminated as a result of an event of default, the Security will, if so specified in the Final Terms, become enforceable.

#### *Fluctuations in the value of the Mortgaged Property*

The Collateral Assets may be subject to fluctuations in value. Investors should note that the Collateral Assets may suffer a negative performance between the time at which the Security becomes enforceable and the realisation of the Mortgaged Property. In extraordinary circumstances, the Mortgaged Property available at the time at which the Security becomes enforceable could completely lose its value by the time of realisation.

#### *Substitution of the Collateral Assets at the option of the Counterparty and Counterparty control*

This section applies where Charged Agreement/Collateral Arrangements is specified as applying in the Final Terms. Pursuant to the terms of the Transfer Agreement or the Credit Support Document, as applicable, the Counterparty may substitute existing Collateral Assets for Eligible Collateral. The Counterparty is not required to obtain the consent of MBFL or the Security Trustee prior to such substitution. The Counterparty may substitute the Collateral Assets any number of times over the term of the Notes.

Where Charged Agreement/Collateral Arrangements is specified as applying in the Final Terms, pursuant to the terms of the Transfer Agreement or the Credit Support Document, as applicable, Collateral Assets will be (a) delivered to MBFL, (b) returned to the Counterparty, or (c) substituted, and in each case the selection of such Collateral Assets will be at the direction of the Counterparty.

#### *Lack of diversification of the Mortgaged Property*

Investors should note that it is possible the Collateral Assets will have low diversification; in other words, the Collateral Assets may be limited to one or few assets. Such low diversification increases the risk that the proceeds of realisation of the Mortgaged Property may be less than the sums due to the Noteholders under the Secured Notes.

#### *Application of Proceeds*

This section applies where Charged Agreement/Collateral Arrangements is specified as applying in the Final Terms. Investors should note that in relation to a Series of Notes and in respect of the net proceeds of realisation of, or enforcement with respect to, the Mortgaged Property, if "Counterparty Priority Basis" is specified in the applicable Final Terms, the claims of the Counterparty to such proceeds will be senior to and therefore rank ahead of the claims of the Noteholders.

#### *Risk of a delay in the realisation of the Mortgaged Property in the event of the insolvency of MBFL*

In the event of the insolvency of MBFL, the realisation of the Mortgaged Property may be delayed either by the insolvency administrator appointed in relation to MBFL or by measures ordered by the competent court. Such delay could adversely affect the position of the Noteholders in the event of depreciation of the value of the Mortgaged Property during such delay.

*Risks arising on an insolvency of the Counterparty in relation to a Credit Support Document*

This section applies where Charged Agreement/Collateral Arrangements is specified as applying in the Final Terms. In the event that MBFL enters into a Transfer Agreement and, if applicable, a Credit Support Document with the Counterparty in respect of a Series of Secured Notes, the Counterparty will transfer Collateral Assets to MBFL. In the event that a liquidator or administrator were to be appointed in respect of the business and property of the Counterparty, no assurance can be given that the effect of the such transfers will be to remove the Collateral Assets from the property of the Counterparty available to a liquidator or administrator of the Counterparty for distribution to the general creditors of the Counterparty.

It is possible that a liquidator or administrator appointed in relation to the business and property of the Counterparty may commence proceedings to challenge the validity and effectiveness of the Transfer Agreement and, if applicable, the Credit Support Document for the purpose of including the Collateral Assets in the property and estate of the Counterparty. If insolvency proceedings were commenced in respect of the Counterparty, and in particular against MBFL in relation to the Transfer Agreement and, if applicable, the Credit Support Document, delays in realising the Mortgaged Property, possible reductions in the realisation amount of the Mortgaged Property and limitations on the exercise of remedies in relation to the enforcement of the Security could occur.

*SFTR (Article 15) Title Transfer Collateral Arrangements Risk Disclosure*

In respect of any Series of Secured Notes, MBFL may have entered into, or may enter into, one or more "title transfer collateral arrangements" (as defined in Article 2(1) of Directive 2002/47/EC under EU SFTR (as defined below) and regulation 3 of the Financial Collateral Arrangements (No.2) Regulations 2003 under UK SFTR (as defined below)) (each such arrangement, a "**Title Transfer Arrangement**") with a Counterparty in respect of such Series of Secured Notes. The Title Transfer Arrangement may take the form of a credit support annex to an ISDA Master Agreement (which may constitute a Transfer Agreement including a Credit Support Annex), a global master repurchase agreement as published by the International Capital Market Association and Securities Industry and Financial Markets Association (which may constitute a Transfer Agreement) or another form that provides for collateralisation on a title transfer basis.

Under (i) Article 15 of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (as amended from time to time) ("**EU SFTR**") and (ii) Article 15 of EU SFTR as it forms part of "retained EU law", as defined in the EUWA ("**UK SFTR**", and together with EU SFTR, "**SFTR**"), the transferee of securities under any Title Transfer Arrangement is required to inform the transferor of such securities of the general risks and consequences that may be involved in entering into a Title Transfer Arrangement. Such risks are detailed below and are also relevant for Noteholders even though they will not be party directly to any Title Transfer Arrangement, particularly in circumstances where MBFL is a transferor of securities under a Title Transfer Arrangement.

In the section below, the person that transfers securities under a Title Transfer Arrangement is referred to as the "**Transferor**", the person to whom such securities are transferred is referred to as the "**Transferee**" and the

Collateral Assets for a Series of Secured Notes will be the notes which may be transferred under a Title Transfer Arrangement.

*Loss of proprietary rights in Collateral Assets*

The rights, including any proprietary rights that a Transferor has in Collateral Assets transferred to a Transferee will be replaced (subject to any security granted by the Transferee) by an unsecured contractual claim for delivery of equivalent Collateral Assets, subject to the terms of the Title Transfer Arrangement. If the Transferee becomes insolvent or defaults under the Title Transfer Arrangement, the Transferor's claim for delivery of equivalent Collateral Assets will not be secured and will be subject to the terms of the Title Transfer Arrangement and applicable law. Consequently, the Transferor may not receive such equivalent Collateral Assets (although the Transferor's exposure may be reduced to the extent that its liabilities to the Transferee under such Title Transfer Arrangement and/or other liabilities it has to the Transferee under any other Title Transfer Arrangement or other agreement can be netted or set-off against the obligation of the Transferee to deliver equivalent Collateral Assets to the Transferor).

Where MBFL is the Transferor, upon transfer of the Collateral Assets, such securities will cease to form part of the Mortgaged Property so Noteholders will no longer have the benefit of security over such securities. In the event of the Counterparty (as Transferee) becoming insolvent or otherwise defaulting, the Mortgaged Property will not include equivalent Collateral Assets which MBFL might otherwise have been expecting to receive. In these circumstances, Noteholders should be aware that the net proceeds of enforcement and/or realisation, as applicable, of the Mortgaged Property may be insufficient to cover amounts that would otherwise be due under the relevant Series of Secured Notes and consequently the Noteholders are exposed to the credit risk of the Counterparty (as Transferee).

Where the Counterparty is the Transferor, upon transfer of the Collateral Assets, MBFL's obligations to transfer equivalent Collateral Assets in respect of the Title Transfer Arrangement, amongst other things, will be secured by the Mortgaged Property in respect of the relevant Series of Secured Notes. The Counterparty will not have any proprietary rights in the Collateral Assets transferred to MBFL. If MBFL defaults under the Title Transfer Arrangement, although the Counterparty's claim for delivery of equivalent Collateral Assets will benefit from security granted by MBFL, the Counterparty's claim for delivery of equivalent Collateral Assets may, as a result of the applicable payment waterfall, be subordinated to prior ranking claims of certain other parties in respect of the Mortgaged Property. Consequently, the Transferor may not receive the equivalent Collateral Assets (although the Transferor's exposure may be reduced to the extent that its liabilities to the Transferee under such Title Transfer Arrangement and/or other liabilities it has to the Transferee under any other Title Transfer Arrangement or other agreement can be netted or set-off against an obligation on the Transferee to deliver equivalent Collateral Assets to the Transferor).

*Stay of proceedings following resolution process*

In the event that a resolution process (i.e. the process by which the authorities can intervene to manage the failure of a firm in an orderly fashion) is commenced by a resolution authority under any relevant resolution regime in

relation to the Transferee, then (i) any rights that the Transferor may have to take any action against the Transferee, such as to terminate the Title Transfer Arrangement, may be subject to a stay by the relevant resolution authority and (ii) the Transferor's claim for delivery of equivalent Collateral Assets may be reduced (in part or in full) or converted into equity or (iii) a transfer of assets or liabilities may result in the Transferor's claim against the Transferee being transferred to different entities, although the Transferor may be protected to the extent that the exercise of resolution powers is restricted by the availability of set-off or netting rights.

Where MBFL is the Transferor, this means that MBFL may not be able to immediately enforce its rights against the Counterparty and its rights may be altered by operation of law or contract. Noteholders will be exposed to the risk of such delay and alteration of rights against the Counterparty.

#### *Loss of voting rights in respect of Collateral Assets*

The Transferor in respect of any Collateral Assets will not be entitled to exercise, or direct the Transferee to exercise (subject to the terms of the Security Trust Deed in the event that the Counterparty is the Transferor) any voting, consent or similar rights attached to the Collateral Assets.

Noteholders should be aware that where the Transferor is MBFL, the Noteholders will not have any right under the Security Trust Deed to direct MBFL to exercise any voting, consent or similar rights attached to the Collateral Assets.

#### *No information provided in respect of Collateral Assets*

The Transferee will have title to any Collateral Assets and may or may not continue to hold such Collateral Assets and as such it will have no obligation to inform the Transferor of any corporate events or actions in relation to any Collateral Assets.

Where MBFL is the Transferor, this means that no assurance can be given to Noteholders that they will be informed of events affecting any Collateral Assets.

#### *Illiquid Collateral Assets*

The Collateral Assets may comprise assets which are not admitted to any public trading market and may therefore be illiquid and not readily realisable.

#### *Further issues*

Further fungible Secured Notes may be issued by MBFL that issued the Original Secured Notes in certain circumstances. The additional Collateral Assets which MBFL must provide for such further Secured Notes relative to the aggregate nominal amount of the further Secured Notes may be such as to affect the value of the original security provided for the Secured Notes.

#### *Commingling of Collateral Assets and rights of set-off of the Custodian and Account Bank*

Prospective investors' attention is drawn to the limited circumstances permitted by the Secured Notes Conditions, the Transfer Agreement or the Credit Support Document, as applicable, whereby the Collateral Assets held by the relevant Custodian are not segregated from the designated investments of the relevant Custodian: for instance in the case of cash or in certain circumstances in the case of registrable securities. In such circumstances, in the event of the relevant Custodian's insolvency, MBFL's assets, or rights against any Counterparty or to such assets may not be as well protected from claims made on behalf of the general creditors of the relevant Custodian.

In addition, prospective investors should note that pursuant to the Custody Agreement and/or the Account Bank Agreement, in relation to Series of Secured Notes, the Custodian and/or the Account Bank may have rights of set-off with respect to the cash accounts held by relating to such Series. As a result, they may set-off between (i) any balances from any such cash account showing a credit balance and (ii) any such cash account showing a debit balance. Such set-off may be recorded in the books of the Custodian and/or the Account Bank as a transfer from one such cash account to another. As a result, the amount which will be available to holders of the relevant Series upon enforcement of the security in relation to a Series of Secured Notes may be less than if such set-off had not occurred and as a result, the proceeds of realisation of the Mortgaged Property may be less than the sums due to the Noteholders in respect of such Series (prospective investors' attention is accordingly drawn to the risk factor entitled "*Shortfall on Realisation of Mortgaged Property*" above).

#### *Security Trustee Indemnity*

The Security Trustee shall not be bound to enforce the security in relation to a Series of Secured Notes unless (i) directed to do so by the Instructing Creditor and (ii) it is indemnified and/or secured and/or prefunded to its satisfaction.

#### *Capacity of BNP Paribas and its affiliates*

BNP Paribas and its affiliates (the **BNPP Parties**) may act in a number of capacities in connection with any issue of Secured Notes, including as Fiscal Agent or Security Trustee, Liquidation Agent, a Collateral Asset administration agent, Paying Agent and/or Custodian. The BNPP Parties acting in such capacities in connection with such transactions shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. The BNPP Parties are part of a global investment banking and securities firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The BNPP Parties in their various capacities in connection with the contemplated transactions may enter into business dealings, from which they may derive revenues and profits in addition to any fees, without any duty to account therefor. Each of the BNPP Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Secured Notes or any other party.

The BNPP Parties do not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Secured Notes or obligations referred to in this Base Prospectus except where



required in accordance with the applicable law. Nonetheless, in the ordinary course of business, BNPP Parties and employees or customers of the BNPP Parties may actively trade in and/or otherwise hold long or short positions in the Secured Notes or enter into similar transactions referencing the Secured Notes or the obligors thereof for their own accounts and for the accounts of their customers. If a BNPP Party becomes an owner of any of the Secured Notes, through market-making activity or otherwise, any actions that it takes in its capacity as owner, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other owners of the Secured Notes. To the extent a BNPP Party makes a market in the Secured Notes (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Secured Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Secured Notes. The price at which a BNPP Party may be willing to purchase Secured Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Secured Notes and significantly lower than the price at which it may be willing to sell the Secured Notes.

*(E) ADDITIONAL FACTORS RELATING TO CERTAIN UNDERLYING REFERENCES*

*Certain considerations associated with Notes linked to ETIs*

ETI Linked Notes linked to one or more interest in exchange traded instruments reflect the performance of such interest in exchange traded instruments.

An exchange traded instrument may invest in and trade in a variety of investments and financial instruments using sophisticated investment techniques for hedging and non-hedging purposes. Such financial instruments and investment techniques may include, but are not limited to, the use of leverage, short sales of notes, derivative transactions, such as swaps, stock options, index options, futures contracts and options on futures, lending of notes to certain financial institutions, entry into repurchase and reverse repurchase agreements for notes and the investment in foreign notes and foreign currencies.

The amount payable on ETI Linked Notes will be dependent on the performance of the relevant ETI(s) underlying the ETI Linked Notes, which may be linked to the reported NAV per ETI Interest, the trading price available on an exchange for the relevant ETI Interest and/or the actual redemption proceeds the Hedge Provider or a hypothetical investor in the relevant ETI(s) would receive. The amount payable on the ETI Linked Notes may be less and in certain circumstances may be significantly less than the return from a direct investment in the relevant ETI(s) and may be zero.

Unlike Funds, exchange traded instruments are not actively managed. The value of an interest in an exchange traded instrument will decline, more or less, in line with the decline of any notes or the value of any index underlying or linked to the relevant exchange traded instrument. Exchange traded instruments involve risks similar to those of investing in any equity notes traded on an exchange, such as market fluctuations caused by, amongst other things, economic and political developments, changes in interest rates and perceived trends in prices of

notes. Where the relevant exchange traded instrument is linked to a particular index, the return on such exchange traded instrument may not match the return of the particular index.

Potential investors in ETI Linked Notes should be aware that none of the relevant Issuer, the Guarantor (if any) or the Calculation Agent have any control over investments made by the relevant exchange traded instrument(s) and in no way guarantee the performance of an exchange traded instrument or the amount payable to holders of ETI Linked Notes.

In hedging the relevant Issuer's obligations under the ETI Linked Notes, the Hedge Provider is not restricted to any particular hedging practice. Accordingly, the Hedge Provider may hedge its exposure using any method it, in its sole discretion, deems appropriate, including, but not limited to, investing in the relevant exchange traded instrument(s), replicating the performance of the relevant exchange traded instrument(s) or holding any of the assets underlying the relevant exchange traded instrument(s). The Hedge Provider may perform any number of different hedging practices with respect to ETI Linked Notes.

Investing directly or indirectly in interests in exchange traded instruments is generally considered to be risky. If the exchange traded instrument does not perform sufficiently well, the value of the Notes will fall, and may in certain circumstances be zero.

Prospective investors should review carefully the prospectus, information memorandum and/or offering circular (if any) issued by any relevant exchange traded instrument before purchasing any ETI Linked Notes. None of the relevant Issuer, the Guarantor (if any), the Calculation Agent or any of their respective Affiliates make any representation as to the creditworthiness of any relevant exchange traded instrument or any such exchange traded instrument's administrative, custodian, investment manager or adviser.

***Certain considerations associated with Notes linked to Funds***

Where an Issuer issues Fund Linked Notes linked to one or more Funds, the relevant Notes reflect the performance of such fund(s).

Investors in Fund Linked Notes should understand that:

- (i) there are market risks associated with an actual investment in the underlying Fund(s), and while the Fund Linked Notes do not create an actual interest in the underlying Fund(s), the return on the Fund Linked Notes generally involves the same associated risks as an actual investment in the underlying Fund(s). The Issuer has not purported and does not purport to be a source of information concerning the market risks associated with such underlying Fund or Fund interests;
- (ii) third parties, not related to the relevant Issuer or the Guarantor, may subscribe for and redeem underlying fund interests. These investments may affect the performance and volatility of such Fund's net asset value and so subsequently affect, from time to time, the return on the Fund Linked Notes;
- (iii) the relevant Issuer has no control over the underlying Fund(s) or the performance of such Fund(s) and any

performance of the underlying Fund(s) necessary for the Fund Linked Notes to yield a specified return is not assured. Potential investors in the Fund Linked Notes should understand that the performance of the underlying Fund(s) may, depending on the terms of the Fund Linked Notes, strongly affect the value of payments on the Fund Linked Notes;

- (iv) the value of units in the underlying Fund(s) and the income from it may fluctuate significantly. The Issuer makes no representation or warranty about, or guarantee of, the performance of an underlying Fund;
- (v) the relevant Issuer has not provided and will not provide during the term of the Fund Linked Notes prospective investors with any information or advice with respect to the performance of an underlying Fund. The Issuer may have acquired, or during the term of the Fund Linked Notes may acquire, non-public information with respect to an underlying Fund, which will not be provided to the Noteholders;
- (vi) the Funds may follow a wide range of investment strategies, invest in assets in a number of different countries and invest in assets denominated in a number of different currencies. The returns to the Noteholders may, therefore, be materially affected by, among other things, market trends, exchange rate fluctuations and political and economic developments in the relevant countries. This may lead to substantial volatility in the net asset value of the Funds;
- (vii) the funds may have investment strategies and guidelines that are very broad. They may also be free to engage in additional or alternative strategies without reference to any other person including the relevant Issuer, the Guarantor and the investor;
- (viii) Funds may trade and invest in a broad range of investments and financial instruments using sophisticated investment techniques for hedging and non-hedging purposes such as debt and equity securities, commodities and foreign exchange and may enter into derivative transactions, including, without limitation, futures, swaps and options. Such financial instruments and investment techniques may also include, but are not limited to, the use of leverage, short sales of securities, transactions that involve the lending and borrowing of securities to financial institutions, investment in sub-investment grade or non-readily realizable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, the entry into repurchase and reverse repurchase agreements for securities and the investment in foreign securities and foreign currencies. While these investment strategies and financial instruments provide the investment manager and/or adviser of a Fund the flexibility to implement a range of strategies in an attempt to generate positive returns for the Fund, they also create the risk of significant losses and, in certain circumstances, may magnify adverse market developments and losses that may adversely affect the value of the Fund and therefore the return on the Fund Linked Notes. Potential investors should be aware that none of the relevant Issuer, the Guarantor (if any) or the Calculation Agent have any control over investments made by a Fund and therefore in no way guarantee the performance of a Fund and therefore the amount due to Noteholders on redemption of the Fund Linked Notes;

- (ix) Funds may often be illiquid and may only be traded on a monthly, quarterly or even less frequent basis. The trading strategies of Funds are often opaque. Funds, as well as the markets and instruments in which they invest, are often not subject to review by governmental authorities, self-regulatory organisations or other supervisory authorities;
- (x) the amount payable on Fund Linked Notes will be dependent on the performance of the relevant Fund(s) underlying the Fund Linked Notes, which may be linked to the reported NAV per Fund Share and/or the actual redemption proceeds the Hedge Provider or a hypothetical investor in the relevant Fund(s) would receive. The amount payable on the Fund Linked Notes may be less than the amount payable from a direct investment in the relevant Fund(s);
- (xi) in certain circumstances, a Fund may continue reporting a NAV per Fund Share, but the Hedge Provider or a hypothetical investor may not be able to realise their investment in the relevant Fund(s) at such reported NAV per Fund Share. In such a case, the return on the Fund Linked Notes may be less and in certain circumstances may be significantly less than the reported performance of the relevant Fund(s) and may be zero;
- (xii) a Fund may be established as part of a master-feeder fund structure. Generally, a master-feeder fund structure involves the incorporation of a "master" fund company into which separate and distinct "feeder" funds invest. Active management of any investment strategy is, generally, performed at the master fund level. In instances where the Fund(s) underlying the relevant Fund Linked Notes are "feeder" funds, the Extraordinary Fund Events (see "*Other Events relating to Fund Linked Notes*" below) extend to include the "master" fund and its service providers. In conducting their own due diligence of the relevant Fund(s), prospective investors should pay particular attention to whether the relevant Fund(s) are established as part of a master-feeder fund structure;
- (xiii) In hedging the relevant Issuer's obligations under the Fund Linked Notes, the Hedge Provider is not restricted to any particular hedging practice. Accordingly, the Hedge Provider may hedge its exposure using any method it, in its sole discretion, deems appropriate, including, but not limited to, investing in the relevant Fund(s), replicating the performance of the relevant Fund(s) or holding any of the assets underlying the relevant Fund(s). The Hedge Provider may perform any number of different hedging practices with respect to Fund Linked Notes;
- (xiv) the Funds may often rely on a few individuals to determine their investment strategies and to make investment decision. The loss of such individuals could jeopardise the performance of the Funds;
- (xv) the funds may be engaged in a high level of trading with commensurately high brokerage and transaction costs, as well as costs associated with leverage, such as interest payments and margin maintenance. Such costs will adversely affect the net asset value of the Funds and so may adversely affect the return on the Fund Linked Notes;

- (xvi) the Funds will be exposed to credit risks against brokers and other counterparties with which they deal in implementing their investment strategies;
- (xvii) where underlying Funds invest in unlisted shares and certain other assets, risks associated with reduced liquidity and lack of objective valuations will arise. Additionally, the underlying Funds may invest in emerging markets. This involves risks attributable to nationalisations, expropriation or taxation, currency devaluation, foreign exchange control, political, social or diplomatic instability or governmental restrictions. The capital markets in such countries have substantially less volume, and are generally less liquid and more volatile, than those in more developed markets. Disclosure and regulatory requirements could be less stringent than in other markets, with a low level of monitoring and limited and uneven enforcements of existing regulations;
- (xviii) an underlying Fund may have no or a limited history, with no proven track record in achieving their stated investment objectives;
- (xix) some or all of the underlying Funds may be wholly unregulated investment vehicles and may trade in futures, options, forward exchange contracts and other derivative instruments, which may represent significant investment risks. In addition, underlying funds may acquire leveraged trading positions, including through the use of borrowing, and may engage in short selling. As a result of leverage, relatively small adverse price movements may result in substantial losses; and
- (xx) an underlying Fund itself may be subject to fees and charges on its investments which shall be borne by such Fund and incorporated in the value of interests in it.

*Risk from composition and changes to a fund*

The management company of a Fund can, without regard to the interests of the investors in the Fund Linked Notes, add, delete or substitute any funds by reference to which the value of a fund is calculated or make other methodological changes that could change the investment profile of a fund. The management company may also determine to discontinue a Fund. If a Fund is discontinued, it may be replaced by other assets and/or the Fund Linked Notes may be settled early.

In the event that a Fund is materially modified or permanently cancelled or the management company fails to calculate or announce the NAV per Fund Share, the Calculation Agent will either make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions of the Fund Linked Notes as the Calculation Agent determines appropriate to account for the effect on the Fund Linked Notes of such events, or may settle the Fund Linked Notes early. Any of these decisions or determinations may adversely impact the value of the Fund Linked Notes.

*Funds may be subject to transfer restrictions and illiquidity*

Funds and the assets thereof may be subject to transfer restrictions arising by way of applicable securities laws or otherwise. Such restrictions may mean that investors are not entitled to acquire interests in the Funds directly.

Holders of units or shares (however described) in a Fund may have the right to transfer or withdraw their investment in the Fund only at certain times and upon completion of certain documentary formalities and such rights may be subject to suspension or alteration. These circumstances may affect the NAV per Fund Share of the relevant Funds. Potential investors should familiarise themselves with the features of the Funds in this regard.

*Events which affect the value of a Fund will affect the value of Fund Linked Notes*

The occurrence of any of the following events could materially and adversely affect the value of shares or units in a Fund, and have a consequent material and adverse effect on the value of Fund Linked Notes:

- *Valuation:* The valuation of Funds is generally controlled by the management company of the Fund. Valuations are performed in accordance the terms and conditions governing the Fund. Such valuations may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the Fund and accounts. The Fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable net asset values may be difficult to obtain. In consequence, the management company may vary certain quotations for such investments held by the fund in order to reflect its judgement as to the fair value thereof.

Therefore, valuations may be subject to subsequent adjustment upward or downward. Uncertainties as to the valuation of fund assets and/or accounts may have an adverse effect on the net asset value of the Fund where such judgements regarding valuations prove to be incorrect.

- *Trading charges:* The performance of a Fund will be affected by the charges incurred thereby relating to the investments of such Fund. The Fund may engage in short-term trading which may result in increased turnover and associated higher than normal brokerage commissions and other expenses.
- *Legal and regulatory changes:* Future changes to applicable law or regulation may be adverse to a Fund.
- *Performance risk:* No assurance can be given relating to the present or future performance of a Fund. The performance of a Fund is dependent on the performance of the management company thereof. Certain management companies may utilise analytical models upon which investment decisions are based. No assurance can be given that these persons will succeed in meeting the investment objectives of the Fund, that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which the Funds have invested or will invest will prove accurate.
- *Effect of exchange rates and exchange controls:* The NAV per Fund Share could be adversely affected not only by hedging costs and changes in exchange rates, but also by local exchange control regulations and other limitations, including currency exchange limitations and political and economic developments in the relevant countries.
- *Market risks:* The markets in which a Fund invests may prove to be highly volatile from time to time as a

result of, for example, sudden changes in government policies on taxation and currency repatriation or changes in legislation relating to the value of foreign ownership in companies, and this may affect the net asset value at which a fund may liquidate positions to meet repurchase requests or other funding requirements.

- *Hedging risks:* A Fund may in certain cases employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available and when available, will not always be effective in limiting losses. A fund may take substantial unhedged positions.
- *Interest rate risks:* The values of securities held by a Fund (or by any underlying fund) tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding NAV per Fund Share to move in directions which were not initially anticipated. To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose a Fund to losses.
- *Suspension of trading:* A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for a Fund to liquidate positions and thereby expose a Fund to losses.
- *Dependence on key individuals:* The success of a Fund is dependent on the expertise of its managers. The loss of one or more individuals could have a material adverse effect on the ability of a fund manager to direct a Fund's portfolio, resulting in losses for a Fund and a decline in the value of a Fund. Indeed, certain fund managers may have only one principal, without whom the relevant fund manager could not continue to operate.
- *Experience of fund managers:* Certain Funds may be managed by investment managers who have managed funds for a relatively short period of time. The previous experience of such investment managers is typically in trading proprietary accounts of financial institutions or managing unhedged accounts of institutional asset managers or other investment firms. As such investment managers do not have direct experience in managing Funds, including experience with financial, legal or regulatory considerations unique to fund management, and there is generally less information available on which to base an opinion of such managers' investment and management expertise, investments with such investment managers may be subject to greater risk and uncertainty than investments with more experienced fund managers.
- *Risk of fraud:* There is a risk that a fund manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct.
- *Performance compensation payable to fund managers:* The performance-based compensation paid to a fund manager is typically calculated on a basis that includes unrealised appreciation and may consequently be greater than if such compensation were based solely on realised gains. Each Fund generally calculates its own performance compensation based on its individual performance, irrespective of increases in the

overall value of the Fund. Furthermore, when the Fund is rebalanced and an unprofitable underlying asset is removed, the loss carried forward by such Fund's trading is eliminated for purposes of calculating subsequent performance compensation due to the fund manager of any replacement underlying asset. Thus, there may be substantial incentive compensation due to the relevant fund manager even during a period when the portfolio of assets is incurring significant losses.

- *Risks of leverage:* A Fund may borrow subject to applicable restrictions provided by laws and typically utilise various lines of credit and other forms of leverage. In addition, certain of a Fund's investment strategies (primarily those utilising derivative instruments) may involve indirect forms of leverage. While leverage presents opportunities for increasing a Fund's total return, it increases the potential risk of loss as well. Any event which adversely affects the value of an investment by a fund is magnified to the extent that such investment is leveraged. Leverage can have a similar effect on issuers in which a Fund invests. The use of leverage by a Fund could result in substantial losses which would be greater than if leverage had not been used. A Fund's assets may be further leveraged or hedged by the use of derivatives. In addition, investments of a Fund may include investments in partnerships and other pooled investment vehicles, which themselves employ leverage to a significant extent. Such investments are subject to the same leverage risks as described above and a Fund could lose its entire investment. As a general matter, the banks and dealers that provide financing to a Fund can apply essentially discretionary margin, haircut, financing and security and collateral valuation policies. Changes by banks and dealers in these policies may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous net asset values.
- *Investment criteria:* It may be difficult to specify precisely or comprehensively the strategies of a Fund. As a result, it may not sometimes be clear whether or not a Fund fulfils the investment criteria set out in its offering document.
- *Risks of equity investments:* The investment orientation of a Fund may be based to a significant extent on equity investments. Investment in equity securities to aggressively seek capital appreciation is speculative and is generally perceived to encompass greater risks than those involved in connection with an investment in debt securities of comparable issuers.
- *Risks of fixed income investments:* A Fund may invest in fixed income securities and, therefore, may be exposed to the risk of default by the issuers of such securities. Such default may result in delays in payment, or non-payment of interest or principal when due. Furthermore, the net asset value of fixed income securities may also fluctuate with changes in prevailing interest rates and/or in the creditworthiness of the issuer, and these fluctuations may result in a loss of capital by a Fund.
- *Risks of collective investment schemes:* Some Funds may invest in other collective investment schemes. Investment in schemes of this type may afford the investor less transparency in respect of the ultimate assets of the scheme.



- *Large transactions:* Large subscriptions and redemptions may result in the liquidation or dilution of Fund assets that may affect the NAV per Fund Share of such Fund.
- *Emerging markets:* A Fund may invest in securities of governments of, or companies domiciled in, less-developed or emerging markets. See "*Certain considerations associated with Notes linked to emerging markets*". Custody arrangements in such countries may also present enhanced risk.
- *Risks of repos:* A Fund may use repurchase agreements. Under a repurchase agreement, a security is sold to a buyer and at the same time the seller of the security agrees to buy back the security at a later date at a higher net asset value. In the event of a bankruptcy or other default of the transferor of securities in a repurchase agreement, a Fund could experience delays in liquidating the underlying securities and losses, including possible declines in the value of the collateral during the period while it seeks to enforce its rights thereto; possible subnormal levels of income and lack of access to income during this period and the expenses of enforcing its rights. In the case of a default by the transferee of securities in a repurchase agreement, the management company bears the risk that the transferee may not deliver the securities when required.
- *Risks of currency speculation:* A Fund may engage in exchange rate speculation. Foreign exchange rates have been highly volatile in recent years. The combination of volatility and leverage gives rise to the possibility of large profit but also carries a high risk of loss. In addition, there is counterparty credit risk since foreign exchange trading is done on a principal to principal basis.
- *Risks of commodity futures:* Commodity futures prices can be highly volatile. As a result of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.
- *Risks of derivative instruments:* A Fund may use derivative instruments, such as collateralised debt obligations, stripped mortgage-backed securities, options and swaps. There are uncertainties as to how the derivatives market will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. Substantial risks are also involved in borrowing and lending against such instruments. The prices of these instruments are volatile, market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the positions held by a Fund, thereby causing substantial losses. Most of these instruments are not traded on exchanges but rather through an informal network of banks and dealers. These banks and dealers have no obligation to make markets in these instruments and may apply essentially discretionary margin and credit requirements (and thus, in effect, force a Fund to close out its relevant positions). In addition, such instruments carry the additional risk of failure to perform by the counterparty to the transaction. Government policies, especially those of the U.S. Federal Reserve Board and non-U.S. central banks, have profound effects on interest and exchange rates which, in turn, affect prices of derivative instruments. Many other unforeseeable events, including actions by various government agencies and domestic and

international political events, may cause sharp market fluctuations.

- *Risks of short selling:* A Fund may sell securities short. Short selling exposes a fund to theoretically unlimited risk due to the lack of an upper limit on the price to which a security may rise. Short selling involves the sale of borrowed stock. If a stock loan is called, the short seller may be forced to repurchase the stock at a loss. In addition, some traders may attempt to profit by forcing short sellers to incur a loss. Traders may make large purchases of a stock that has been sold short. The large purchases are intended to drive up the stock price, and cause the short sellers to incur losses. By doing this, the traders hope the short sellers will limit their losses by repurchasing the stock and force the stock price even higher.
- *Risks of arbitrage:* The use of arbitrage strategies by a Fund in no respect should be taken to imply that such strategies are without risk. Substantial losses may be incurred on “hedge” or “arbitrage” positions, and illiquidity and default on one side of a position may effectively result in the position being transformed into an outright speculation. Every arbitrage strategy involves exposure to some second order risk of the market, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds or the net asset value spread between different classes of stock for the same underlying firm. Further, there are few examples of “pure” arbitrage funds. Most Funds also employ limited directional strategies which expose them to market risk.
- *Credit risk:* Many of the markets in which a fund effects its transactions are “over-the-counter” or “inter-dealer” markets. The participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. To the extent that a Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, such Fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterised by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which in turn may subject a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such “counterparty risk” is increased for contracts with longer maturities when events may intervene to prevent settlement. The ability of a Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses.
- *Risks relating to controlling stakes:* A Fund may take controlling stakes in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise and other types of related liability.

*As the shares of certain funds may only be redeemable on certain dates, there is a risk of delays or defaults in payment*

The shares of a Fund may only be redeemable on certain redemption dates, subject to the prescribed notice period in respect of such Fund. This gives rise to a time delay between the execution of an order for redemption and payment of the proceeds on such redemption. If the Fund becomes insolvent following the date on which a redemption order would have to be notionally placed or the Calculation Agent determines that the relevant Fund would fail to pay to any shareholder in cash the full redemption proceeds owing to them if they redeemed their shares on the relevant date, an adjustment may be made by the Calculation Agent when calculating the return on the Notes to the NAV per Fund Share of the relevant Fund, thereby reducing the return on the Notes.

The market price of Fund Linked Notes may be volatile and may depend on the time remaining to the maturity date and the volatility of the price of fund share(s) or unit(s). The price of fund share(s) or unit(s) may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units in the fund or funds may be traded.

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

***Certain considerations associated with Notes linked to emerging markets***

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

Increased custodian costs as well as administrative difficulties (such as the applicability of the laws of the jurisdictions of emerging or developing countries to custodians in such jurisdictions in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalisation and record access) may also arise from the maintenance of assets in such emerging or developing countries.

Prospective purchasers of the Notes should also be aware that the probability of the occurrence of a Hedging Disruption Event (or other Adjustment Event under the relevant legal terms as set out further in the Base Conditions) and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets. Prospective investors are expected to conduct their own enquiries and be satisfied that there are additional risks associated with investments linked to the performance of underlying assets located in these markets.

### ***Exchange control risks***

Potential investors should be aware that there is the risk that authorities with jurisdiction over the Settlement Currency (as specified in the applicable Final Terms and/or the currency in which the Underlying Reference is denominated, such as government and monetary authorities, may impose or modify (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or transfer of funds in and out of the country. It is impossible to predict whether the value of one such currency relative to another will rise or fall during the term of the Notes.

### ***(F) ADDITIONAL FACTORS RELATING TO DISRUPTION AND ADJUSTMENTS***

If an Additional Disruption Event occurs, or any Optional Additional Disruption Event specified in the applicable Final Terms occurs (other than in respect of a Failure to Deliver due to Illiquidity), the Notes may be subject to adjustment (including, in the case of Share Linked Notes linked to a Basket of Shares, adjustments to the Basket of Shares), early settlement or the amount payable on scheduled settlement may be different from the amount expected to be paid at scheduled settlement.

The Additional Disruption Events relate to changes in law (including changes in tax or regulatory capital requirements) and hedging disruptions in respect of any hedging transactions relating to the Notes (both as more fully set out in the Conditions).

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Maturity Date; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security, by payment to the relevant Noteholders of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with the relevant Conditions. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Noteholders.

Consequently the occurrence of an Additional Disruption Event and/or an Optional Additional Disruption Event may have an adverse effect on the value or liquidity of the Notes.

### ***Market Disruption Events or failure to open of an exchange***

If an issue of Notes includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on a date for valuation of an Underlying Reference and the Calculation Agent determines that a Market Disruption Event or failure to open of an exchange has occurred or exists on such valuation date, any consequential postponement of the valuation date, or any alternative provisions for valuation provided in any Notes may have an adverse effect on the value and liquidity of such Notes.

The occurrence of such a Market Disruption Event or failure to open of an exchange in relation to any Underlying Reference comprising a basket may also have such an adverse effect on Notes related to such basket. In addition, any such consequential postponement may result in the postponement of the relevant Maturity Date.

*Adjustment events relating to Index Linked Notes*

In the case of Index Linked Notes, if a relevant Index is (i) not calculated and announced by the Index Sponsor in respect of the Index but is calculated and announced by a successor sponsor or successor entity, as the case may be, acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index will be deemed to be the Index.

The occurrence of an Index Modification, an Index Cancellation or an Index Disruption (each being an "**Index Adjustment Event**") may lead to (i) changes in the calculation of the relevant value or price (if the Calculation Agent determines such Index Adjustment Event has a material effect on the Notes), (ii) early settlement of the Notes or (iii) the amount payable on scheduled settlement of the Notes being different from the amount expected to be paid at scheduled settlement.

Any such adjustment may have an adverse effect on the value and liquidity of such Notes.

*Potential Adjustment Events relating to Share Linked Notes*

In the case of Share Linked Notes, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will make the corresponding adjustment, if any, to any terms of the Notes as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share). Such adjustment may have an adverse effect on the value and liquidity of the affected Share Linked Notes.

*Extraordinary Events relating to Share Linked Notes*

In the case of Share Linked Notes the occurrence of an Extraordinary Event (as defined in the Share Linked Notes Conditions) in relation to a Share, may lead to:

- (A) adjustments to any of the terms of the Notes (including, in the case of Share Linked Notes linked to a Basket of Shares, adjustments to and/or substitution of constituent shares of the Basket of Shares);
- (B) early settlement in whole or, in the case of Share Linked Notes relating to a Basket of Shares, in part or the amount payable on scheduled settlement being different from the amount expected to be paid at scheduled settlement;

- (C) the Calculation Agent making an adjustment to any terms of the Notes which corresponds to any adjustment to the settlement terms of options on the Shares traded on such exchanges(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Option Exchange**") or, if options on the Shares are not traded on the Options Exchange, the Calculation Agent making such adjustment, if any, to any terms of the Notes as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

Following such settlement, an investor generally would not be able to reinvest the relevant proceeds at an effective interest rate as high as the effective return on the relevant Notes being settlement and may only be able to do so at a significantly lower rate, and potential investors should consider reinvestment risk in light of other investments available at that time. Consequently the occurrence of an Extraordinary Event in relation to a Share may have an adverse effect on the value or liquidity of the Notes.

*Potential Adjustment Events relating to ETI Linked Notes*

In the case of ETI Linked Notes, following the declaration by the relevant exchange traded instruments or any person appointed to provide services directly or indirectly in respect of such exchange traded instrument, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will make the corresponding adjustment, if any, to any terms of the Notes as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest).

Any such adjustment may have an adverse effect on the value and liquidity of such Notes.

*Extraordinary Events relating to ETI Linked Notes*

In the case of ETI Linked Notes if certain events ("**Extraordinary ETI Events**") including events relating to Global Events, Litigation/Fraudulent Activity Events, Change in Related Parties/Key Persons Events, Modification Events, Net Asset Value/Investment/AUM Level Events, Tax/Law/Accounting/Regulatory Events, Hedging/Impracticality/Increased Costs Events and Miscellaneous Events in the determination of the Calculation Agent (acting in good faith and in a commercially reasonable manner) occur, the relevant Issuer may acting in good faith and in a commercially reasonable manner adjust the terms of the Notes to reflect such event, substitute the relevant ETI Interests or redeem the Notes.

Consequently the occurrence of an Extraordinary ETI Event may have an adverse effect on the value or liquidity of the Notes.

The Issuer will exercise its rights under the ETI Linked Notes Conditions, including in particular the action it takes on the occurrence of an Extraordinary Fund Event, acting in good faith. Subject to all regulatory obligations, none of the Issuer, the Guarantor (if any) or the Calculation Agent owes any duty or responsibility to any of the holders of the ETI Linked Notes. The exercise of such rights in such manner may result in an increased loss in performance of the ETI Linked Notes than if the Issuer had taken different action.

*Market Disruption Events relating to Commodity Linked Notes*

If a Market Disruption Event occurs or is continuing on a date for valuation then:

- (A) the Calculation Agent will determine if such event has a material effect on the Notes and, if so, will calculate the relevant Interest Amount and/or Final Redemption Amount and/or make another relevant calculation using, in lieu of a published price or level for the relevant Commodity or Commodity Index, the Commodity Fallback Value;
- (B) the Calculation Agent may substitute the relevant affected Commodity or Index Component with a Commodity or Index Component selected by it in accordance with the criteria set out in the Commodity Linked Note Conditions and will make such adjustment, if any, to any terms of the Notes as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate; or
- (C) the Issuer will redeem the Notes.

Consequently the occurrence of a Market Disruption Event in relation to a Commodity, Commodity Index or Index Component may have an adverse effect on the value or liquidity of the Notes.

*Adjustment Events relating to Commodity Index Linked Notes*

In the case of a Notes linked to a Commodity Index, if a relevant Commodity Index is (i) not calculated and announced by the Index Sponsor in respect of the Commodity Index but is calculated and announced by a successor sponsor or successor entity, as the case may be, acceptable to the Calculation Agent, or (ii) replaced by a successor Commodity Index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then, in each case, that Commodity Index will be deemed to be the Commodity Index. The occurrence of a Commodity Index Modification, Commodity Index Cancellation or Commodity Index Disruption (each being a "**Commodity Index Adjustment Event**") may lead to:

- (A) the Calculation Agent determining the Relevant Price using, in lieu of a published level, the Commodity Fallback Value (if the Calculation Agent determines such Commodity Index Adjustment Event has a material effect on the Notes); or
- (B) early settlement of the Notes.

Any such adjustment may have an adverse effect on the value and liquidity of such Notes.

### *Other events relating to Fund Linked Notes*

In the case of Fund Linked Notes, if certain events ("**Extraordinary Fund Events**") including events relating to Global Events, Litigation/Fraudulent Activity Events, Fund Service Provider/Key Person Events, Modification Events, NAV per Fund Share/AUM Level Events, Reporting Events, Tax/Law/Accounting/Regulatory Events, Hedging/Impracticality/Increased Costs Events, Dealing Events and Miscellaneous Events in the determination of the Calculation Agent (acting in good faith and in a commercially reasonable manner) occur, the Issuer may, acting in good faith and in a commercially reasonable manner, adjust the terms of the Notes to reflect such event, substitute the relevant Fund Shares or redeem the Notes.

Consequently the occurrence of an Extraordinary Fund Event may have an adverse effect on the value or liquidity of the Notes.

In addition, in the event that redemption proceeds in respect of the underlying Fund Shares are not received by the Hedge Provider on or prior to the scheduled date for settlement, the relevant maturity date may be postponed for a period of up to two calendar years (or such other period as may be specified in the applicable Final Terms) and no additional amount shall be payable as a result of such delay.

The Issuer will exercise its rights under the Fund Linked Notes Conditions, including in particular the action it takes on the occurrence of an Extraordinary Fund Event, acting in good faith. Subject to all regulatory obligations, none of the Issuer, the Guarantor (if any) or the Calculation Agent owes any duty or responsibility to any of the Noteholders of the Fund Linked Notes. The exercise of such rights in such manner may result in an increased loss in performance of the Fund Linked Notes than if the Issuer had taken different action.

### *Settlement Disruption Events*

In the case of Physical Delivery Notes, if a Settlement Disruption Event occurs or exists on the Delivery Date, settlement will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The relevant Issuer in these circumstances also has the right to pay the Settlement Disruption Amount in lieu of delivering the Entitlement. As further described below, the Settlement Disruption Amount may be less than the fair market value of the Entitlement.

*The occurrence of a FX Settlement Disruption Event may lead to postponement or payment in an alternative currency*

If "FX Settlement Disruption" applies to the Notes, and the Calculation Agent determines on the second Business Day prior to the relevant due date for payment (the "**FX Disrupted Payment Date**") that a FX Settlement Disruption Event has occurred and is continuing, investors should be aware that payments under the relevant Notes may (i) occur at a different time than expected and that no additional interest amount will be payable in respect of any delay in payment of any amount under the relevant Notes and (ii) be made in USD (the "**FX Settlement Disruption Currency**"). In certain circumstances, the rate of exchange used to convert the Specified Currency and/or Settlement Currency into the FX Settlement Disruption Currency, may not be the market rate of



exchange for such currencies, and in some cases, may be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

*Option to vary Settlement*

If so indicated in the Final Terms, the Issuer may, elect to vary the settlement of the Notes, by (i) in the case of cash settled notes, delivering or procuring delivery of the Entitlement instead of making payment of the Final Redemption Amount to the relevant Noteholders or (ii) in the case of physical delivery notes, making payment of the Final Redemption Amount to the relevant Noteholders instead of delivering or procuring delivery of the Entitlement.

*Option to Substitute Assets or to Pay the Alternate Cash Amount*

The Issuer may if the Calculation Agent determines (acting in good faith and in a commercially reasonable manner) that the Relevant Asset or Relevant Assets, as the case may be, comprise assets which are not freely tradable, elect either (i) to substitute a Substitute Asset or Substitute Assets, as the case may be, for the Relevant Asset or Relevant Assets or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant holders, but in lieu thereof to make payment to the relevant holders on the Maturity Date of the Alternate Cash Amount.

**(G) NOTES SUBJECT TO REDEMPTION AT THE OPTION OF THE ISSUER, OTHER EARLY REDEMPTION (INCLUDING AUTOMATIC EARLY REDEMPTION) AND CONSEQUENCES OF EARLY REDEMPTION**

An optional, other early redemption feature (including an Automatic Early Redemption feature) is likely to limit the market value of the Notes. In the case of Notes having an optional redemption feature, during any period when the relevant Issuer may elect to settle the relevant Notes, the market value of those Notes generally will not rise substantially above the price at which they can be settled. This also may be true prior to any redemption period. In addition, the Final Terms may provide that the relevant Notes shall be settled early in specified circumstances, such as the occurrence of an Additional Disruption Event, an Optional Additional Disruption Event and/or an Automatic Early Redemption Event. Following an optional or early redemption (including an Automatic Early Redemption), a Noteholder generally would not be able to reinvest the redemption proceeds (if any) at an effective interest rate as high as the interest rate on the relevant Notes being settled, and may only be able to do so at a significantly lower rate. As a consequence the Noteholder may lose some or all of their investment. Potential investors should consider reinvestment risk in light of other investments available at that time. In addition, in the case of Notes with an Automatic Early Redemption feature, the value of the Notes and the amount that Noteholders receive upon an Automatic Early Redemption may not correlate with the value of the Underlying Reference, which may trigger such Automatic Early Redemption.

**(H) INTEREST AMOUNTS**

*Application of multipliers in respect of the determination of the Interest Rate*

To the extent that Rate Multiplier or Reference Rate Multiplier applies in respect of the determination of the Interest Rate for Notes which pay interest at a floating rate, investors should be aware that any fluctuation of the underlying floating rate will be amplified by such multiplier. Where the Rate Multiplier or Reference Rate Multiplier is less than 1, this may adversely affect the return on the Notes which pay interest at a floating rate.

#### *Maximum/Minimum Interest Rate*

Potential investors should also consider that where the underlying interest rate does not rise above the level of the Minimum Interest Rate, comparable investments in notes which pay interest based on a fixed rate which is higher than the Minimum Interest Rate are likely to be more attractive to potential investors than an investment in the Notes. Under those conditions, investors in the Notes might find it difficult to sell their Notes on the secondary market (if any) or might only be able to realise the Notes at a price which may be substantially lower than the notional amount. To the extent a Maximum Interest Rate applies, investors should be aware that the Interest Rate is capped at such Maximum Interest Rate level. Consequently, investors may not participate in any increase of market interest rates, which may also negatively affect the market value of the Notes.

#### *Interest Barrier Event*

Potential investors should also consider that where the Notes provide for the application of a Interest Barrier Event, upon the occurrence of such event the Notes will cease to bear interest. In such cases, investors will receive the Interest Amount on the immediately following Interest Payment Date and, thereafter, there will be no further Interest Payment Dates and no further Interest Amount will be payable. In the event that the relevant Final Terms specify that the Interest Barrier Event is applicable and "No Interest for Interest Period" is applicable and a Interest Barrier Event occurs, no Interest Amount will be payable on the next following Interest Payment Date.

#### *Interest linked to an Underlying Reference*

Interest payable on Linked Interest Notes may be determined by reference to an Underlying Reference or combinations of a number of different Underlying References. Potential investors should be aware that:

- (A) the market price of such Notes may be volatile;
- (B) they may receive no interest;
- (C) payment of interest may occur at a different time or in a different currency than expected;
- (D) an Underlying Reference may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (E) if an Underlying Reference is applied to Notes in conjunction with a weighting greater than one or contains some other leverage factor, the effect of changes in the Underlying Reference on interest payable will be magnified;

- (F) the timing of changes in an Underlying Reference may affect the actual yield to investors, even if the average level is consistent with their expectations (in general, the earlier the change in the Underlying Reference, the greater the effect on yield); and
- (G) interest may only be payable and/or calculated in respect of certain specified days and/or periods on or during which the Underlying Reference or its value equals, exceeds and/or is less than certain specified thresholds.
- (I) **NOTES ISSUED WITH A SPECIFIC USE OF PROCEEDS AND GREEN, SOCIAL AND SUSTAINABILITY BONDS MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS SEEKING EXPOSURE TO GREEN ASSETS OR SOCIAL ASSETS OR SUSTAINABLE ASSETS**

The net proceeds of the issue of each Tranche of Notes will be used for the general corporate purposes of the relevant Issuer. If, in respect of any particular issue, there is a particular identified use of the proceeds, this will be specified in the applicable Final Terms, including in case an amount equivalent to the net proceeds of the issue of each Tranche of Notes will be used for the purposes of projects that promote climate-friendly and other environmental purposes and/or that promote access to labour market and accomplishment of general interest initiatives and/or to finance or refinance a combination of both green and social projects (typically known as “sustainability bonds”). Where it does so, the relevant Final Terms may describe the Notes as “green bonds” (“**Green Bonds**”), “social bonds” (“**Social Bonds**”) or “sustainability bonds” (“**Sustainability Bonds**”), in each case issued in accordance with the principles set out by the International Capital Market Association (“**ICMA**”) (respectively, the “**Green Bond Principles**” or “**GBP**”, the “**Social Bond Principles**” or “**SBP**”) and the “**Sustainability Bond Guidelines**” or “**SBG**”) and/or as further specified in the “*Mediobanca Green and Sustainable Bond Framework*” published in the Mediobanca’s website at <https://www.mediobanca.com/en/investor-relations/financing-rating/green-social-and-sustainability-bond-framework.html>.

In such a case, prospective investors should have regard to the information in those Final Terms regarding such use of proceeds and must:

- (i) determine for themselves the relevance of such information for the purpose of any investment in such Notes;
- (ii) assess the suitability of that investment in light of their own circumstances; and
- (iii) make any other investigation they deem necessary.

In particular, no assurance is given by the Issuers or the Dealers that the use of such proceeds for the funding of any green, social or sustainability project, as the case may be, will satisfy, either in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws, articles of association or other governing rules or investment portfolio mandates.

In addition, it should be noted that the definition (legal, regulatory or otherwise) of, and market consensus for a particular project to be defined as, a “green”, “social” or “sustainable” or equivalently labelled project is still under development. As a result, there is currently no clearly defined definition (legal, regulatory or otherwise), nor market consensus as to what constitutes, a “green”, “sustainability”, “social” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green”, “sustainability”, “social” or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. A basis for the determination of the definitions of, *inter alia*, “green” has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the “**Sustainable Finance Taxonomy Regulation**”) on the establishment of a framework to facilitate sustainable investment (the “**EU Sustainable Finance Taxonomy**”). On 21 April 2021, the European Commission adopted the EU Taxonomy Climate Delegated Act, introducing the first set of technical screening criteria to define which activities contribute substantially to two of the environmental objectives under the EU Sustainable Finance Taxonomy: climate change adaptation and climate change mitigation (the “**Taxonomy Climate Delegated Act**”). The Taxonomy Climate Delegated Act applies since 1 January 2022. In addition, on 9 March 2022 the European Commission adopted the EU Taxonomy Complementary Climate Delegated Act covering certain nuclear and gas activities, which is expected to apply from 1 January 2023. Furthermore, on 6 April 2022, the European Commission adopted the Regulatory Technical Standards (RTS) to Regulation (EU) 2019/2088 (the “**Sustainable Finance Disclosure Regulation**”) which is expected to apply from 1 January 2023. Any further delegated act that is adopted by the European Commission in implementation of the Sustainable Finance Taxonomy Regulation or the Sustainable Finance Disclosure Regulation may furthermore evolve over time with changes to the scope of activities and other amendments to reflect technological progress, resulting in regular review to the relating screening criteria.

Furthermore, in connection with any Notes that are stated to be Green Bonds, Social Bonds or Sustainability Bonds, it should be noted that the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the relevant green, low carbon, social and/or sustainable projects, as the case may be, have been defined in accordance with the broad categorisation of eligibility for green, social and sustainable projects set out in the GBP, the SBP and the SBG and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental, sustainability or social projects (any such second-party opinion, a “**Second-party Opinion**”). A Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding to the net proceeds of the relevant issue of Green Bonds, Social Bonds and Sustainability Bonds. A Second-party Opinion would not constitute a recommendation to buy, sell or hold the relevant Green Bonds or Social Bonds or Sustainability Bonds and would only be current as of the date it is released. In addition, a withdrawal of the Second-party Opinion may affect the value of such Green Bonds, Social Bonds and Sustainability Bonds and/or have consequences for certain investors with portfolio mandates to invest in green or social or sustainable assets. Prospective investors must determine for themselves the relevance of any such opinion, report or certification and/or the information contained therein and/or the provider of such opinion, report or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions, reports and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any Green Bonds, Social Bonds or Sustainability Bonds are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainability”, “social” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuers, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Bonds, Social Bonds or Sustainability Bonds. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuers, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Social Bonds, Green Bonds or Sustainability Bonds in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that any related green, low carbon, social or sustainable projects, as the case may be, will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timing schedule, and, accordingly, neither can it be guaranteed that the proceeds of the Social Bonds, Green Bonds or Sustainability Bonds will be totally or partially disbursed for such projects. Nor can there be any assurance that such green, low carbon, social or sustainable projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer.

Any such event or failure to apply the proceeds of the issue of the Notes for any green, social or sustainable projects will not (i) give rise to any claim of a Noteholder against the Issuers; (ii) constitute an Event of Default under the relevant Notes; (iii) lead to an obligation of the Issuers to redeem such Notes or be a relevant factor for the Issuers in determining whether or not to exercise any optional redemption rights in respect of any Notes; (iv) affect the qualification of such Notes as *strumenti di debito chirografario di secondo livello*, Tier II Capital or as eligible liabilities instruments (as applicable); (v) have any impact on the status of the Notes as indicated in Condition 2 (*Status of Notes and Guarantee*) of the Base Terms and Conditions of the Notes or (vi) prevent the applicability of the Bail-in Power. For the avoidance of doubt, neither the proceeds of any Green Bonds, Social Bonds or Sustainability Bonds nor any amount equal to such proceeds will be segregated by the Issuer from its capital and other assets and payments of principal and interest (as the case may be) on the relevant Green Bonds, Social Bonds or Sustainability Bonds shall not depend on the performance of the relevant project nor have any preferred right against such assets.

Green Bonds, Social Bonds or Sustainability Bonds, as any other Bonds, will be fully subject to the application of CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments and, as such, proceeds from Green Bonds, Social Bonds or Sustainability Bonds qualifying as own funds or eligible liabilities should cover all losses in the balance sheet of the Issuer regardless of their “green”, “social” or “sustainable” or such other equivalent label.

Any failure to apply the proceeds of the issue of the Notes for any green, social or sustainable projects may have a material adverse effect on the value of the Notes and/or result in adverse consequences for, amongst others, investors with portfolio mandates to invest in securities to be used for a particular purpose.

**(J) RISKS RELATED TO THE MARKET GENERALLY**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk that may be relevant in connection with an investment in Notes:

***The secondary market generally***

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

The Issuer has no obligation to purchase the Notes from the Noteholders. However, should the Issuer decide to purchase the Notes, the secondary market pricing that the Issuer may provide on the Notes may reflect the unwinding cost of the hedging portfolio (if any) and/or the loss of profit (*lucro cessante*) related to such hedging portfolio.

***Specific Buy Back Provisions***

If Specific Buy Back Provisions is specified as being applicable to the Notes in the relevant Final Terms, investors should be aware that Mediobanca, Mediobanca International and/or MBFL, have issued the Notes also for the purpose of entering into, from time to time, in certain Underlying Transactions. In this respect, the value of the Notes shall reflect and shall be calculated on the basis of the Market Value of such Underlying Transactions. The composition of the Underlying Transaction will be made available to the investors in accordance with the method of publication indicated in the relevant Final Terms.

The Underlying Transactions will be selected from time to time by the relevant Issuer in its reasonable discretion with maturities and notional that can be larger, respectively, than the Maturity Date and Notional Amount of the relevant Notes, and the relevant composition is subject to change during the life of the Notes. Any changes in the composition of the Underlying Transactions (including any possible funding arrangement and/or coupon swap) could adversely affect the Market Value of the Underlying Transactions and, therefore, the value of the Notes.

The Market Value of the Underlying Transactions, as determined by the relevant Issuer, acting in its capacity as Calculation Agent, in a fair and commercially reasonable manner and with reference to the market, could adversely affect the repurchase price, if any, of the Notes. Therefore in the event that an investor requests the

Issuer to repurchase the Notes held by it prior to their maturity, and the Issuer accepts such repurchase, the price of the Notes (Buy Back Price) will be a price that reflects the Market Value of such Underlying Transactions.

The Specific Buy Back Provisions shall not affect the right of the investors to receive timely payments of principal and interest and performance of any non-cash delivery obligations on the Notes. As consideration of the Issuer entering into the Underlying Transactions in relation to the Notes, the Issuer will pay an Extra Yield on the Notes.

The Specific Buy Back Provisions shall apply only to Notes issued by the relevant Issuer, where Mediobanca and/or Mediobanca International act as Dealers and where the Notional Amount of the Notes is equal to, at least, Euro 100,000 (or its equivalent amount if issued in a different currency).

#### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest, if any, on the Notes in the Relevant Currency or, if Dual Currency Notes are specified as being applicable in the Final Terms, the Issuer will pay principal and/or interest on the Notes in a currency different to the Relevant Currency (the "**Payment Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Relevant Currency and/or, as applicable, the Payment Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Relevant Currency and/or, as applicable, the Payment Currency, or revaluation of the Investor's Currency or due to the official redenomination of the Relevant Currency and/or, as applicable, the Payment Currency and/or Investor's Currency) and the risk that authorities with jurisdiction over Relevant Currency and/or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Relevant Currency and/or, as applicable, the Payment Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest, principal or other amount than expected, or no interest or principal or other amount.

#### ***Credit ratings may not reflect all risks***

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

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Each prospective investor

should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***Certain specific information may not be known at the beginning of an offer period***

The relevant Final Terms may provide that certain specific information relating to the Notes (such as certain amounts, levels, percentages, prices, rates or values (as applicable) used to determine or calculate amounts payable or assets deliverable in respect of the Notes) may not be fixed or determined until the end of the offer period. In such case, the Final Terms will specify in place of the relevant amounts, levels, percentages, prices, rates or values (as applicable), an indicative range of amounts, levels, percentages, prices, rates or values (as applicable).

The actual amount, level, percentage, price, rate or value, applicable to the Notes will be determined by the Issuer from within the range and will be made public prior to the Issue Date. The actual rate, level or percentage, as applicable, will be determined in accordance with market conditions by the Issuer in good faith and in a commercially reasonable manner.

Prospective investors will be required to make their investment decision based on the indicative range rather than the actual amounts, levels, percentages, prices, rates or values (as applicable), which will only be fixed after the investment decision is made but will apply to the Notes once issued.

Where an indicative range is specified in the Final Terms in respect of amounts, levels, percentages, prices, rates or values (as applicable), prospective investors should, assume that the actual amounts, levels, percentages, prices, rates or values (as applicable) fixed or determined at the end of the offer period may have a negative impact on the amounts payable or assets deliverable in respect of the Notes and consequently, have an adverse impact on the return on the Notes (when compared with other amounts, levels, percentages, prices, rates or values (as applicable) within any indicative range). Prospective investors should therefore make their decision to invest in the Notes on that basis.

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

Potential conflicts of interest may arise in connection with the Notes, as any distributors or other entities involved in the offer and/or the listing of the Notes as indicated in the applicable Final Terms, will act pursuant to a mandate granted by the Issuer and can receive commissions and/or fees on the basis of the services performed in relation to such offer and/or listing.

***Impact of implicit fees on the Issue/Offer Price***

Investors should note that implicit fees (*e.g.* placement fees, direction fees, structuring fees) may be a component of the Issue/Offer Price of Notes, but such fees will not be taken into account for the purposes of determining the price of the relevant Notes in the secondary market.

The Issuer will specify in the relevant Final Terms the type and amount of any implicit fees which are applicable from time to time.



Investors should also take into consideration that if Notes are sold on the secondary market immediately following the offer period relating to such Notes, the implicit fees included in the Issue/Offer Price on initial subscription for such Notes will be deducted from the price at which such Notes may be sold in the secondary market.

***Certain considerations associated with public offers of Notes***

If Notes are distributed by means of a public offer, under certain circumstances indicated in the relevant Final Terms, the relevant Issuer and/or other entities specified in the Final Terms may have the right to withdraw or revoke the offer, which in such circumstances will be deemed to be null and void according to the terms indicated in the relevant Final Terms. Unless otherwise provided in the applicable Final Terms, the relevant Issuer and/or other entities specified in the Final Terms may also terminate the offer early by immediate suspension of the acceptance of further subscription requests and by giving notice to the public in accordance with the applicable Final Terms. Any such termination may occur even where the maximum amount for subscription in relation to that offer (as specified in the applicable Final Terms), has not been reached.

In such circumstances, the early closing of the offer may have an impact on the aggregate number of Notes issued and, therefore, may have an adverse effect on the liquidity of the Notes. Furthermore, in such circumstances, investors who have already paid or delivered subscription monies for the relevant Notes will be entitled to reimbursement of such amounts, but will not receive any interest that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the Notes. In addition, under certain circumstances, the relevant Issuer and/or other entities specified in the Final Terms will have the right to extend the offer period and/or to postpone the originally designated issue date, and related payment dates.

The relevant Final Terms may also provide that the effectiveness of the offer of Notes is conditional upon admission to trading on the relevant multilateral trading facility indicated in the relevant Final Terms, occurring by the Issue Date. In such case, in the event that admission to trading of the Notes does not take place by the Issue Date for whatever reason, the Issuer may withdraw the offer, the offer will be deemed to be null and void and the relevant Notes will not be issued. As a consequence, the potential investor will not receive any Notes, any subscription rights the potential investor has for the Notes will be cancelled and they will not be entitled to any compensation therefor.

The issue price and/or offer price of the Notes may include subscription fees, placement fees, direction fees, structuring fees and/or other additional costs. Any such fees and/or costs may not be taken into account for the purposes of determining the price of such Notes on the secondary market and could result in a difference between the original issue price and/or offer price, the theoretical value of the Notes, and/or the actual bid/offer price quoted by any intermediary in the secondary market. Any such difference may have an adverse effect on the value of the Notes, where any such fees and/or costs may be deducted from the price at which such Notes can be sold by the initial investor in the secondary market.

***Listing of Notes***

In respect of Notes which are (in accordance with the applicable Final Terms) to be listed on a stock exchange, market or quotation system, the Issuer shall use all reasonable endeavours to maintain such listing, provided that if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to de-list the relevant Notes, although in this case it will use all reasonable endeavours to obtain and maintain (as soon as reasonably practicable after the relevant de-listing) an alternative admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide.

If such an alternative admission is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained and the liquidity of the secondary market of the Notes could be affected.

***Risk related to inflation***

The repayment of the nominal amount of the Notes at maturity does not protect investors from the risk of inflation, i.e. it does not guarantee that the purchasing power of the invested capital will not be affected by the increase in the general price level of consumer products. Consequently, the real return of the Notes, which is the adjusted return taking into account the inflation rate measured during the life of the Notes themselves, could be negative.

***Combination or “layering” of multiple risk factors may significantly increase risk of loss***

Although the various risks discussed in this Base Prospectus are generally described separately, prospective investors in the Notes should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. There are many other circumstances in which layering of multiple risks with respect to the Issuers and /or the Guarantor and/or the Notes may magnify the effect of those risks.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and form part of, this Base Prospectus:

- the audited consolidated annual financial statements as at and for the year ended on 30 June 2022 and 2021 of Mediobanca;
- the audited non-consolidated annual financial statements as at and for the years ended 30 June 2022 and 2021 of Mediobanca International;
- the audited non-consolidated annual financial statements as at and for the years ended 30 June 2022 and 2021 of MBFL;
- the unaudited consolidated half-yearly financial statements as at and for the period ended 31 December 2022 of Mediobanca;
- the unaudited non-consolidated half-yearly financial statements as at and for the period ended 31 December 2022 of Mediobanca International;

in the case of the above-mentioned financial statements, together with the accompanying notes and (where applicable) auditors' reports, save that any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference by way of supplement prepared in accordance with Article 23 of the Prospectus Regulation modifies or supersedes such statement. Where only certain sections of a document referred to above are incorporated by reference to this Base Prospectus, the parts of the document which are not incorporated by reference are either not relevant for prospective investors or are covered elsewhere in this Base Prospectus.

The Issuers will provide, without charge to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy (by electronic means, unless such person requests hard copy) of any or all the documents deemed to be incorporated by reference herein unless such documents have been modified or superseded as specified above, in which case the modified or superseded version of such document will be provided. Request for such documents should be directed to the Issuers at their offices set out at the end of this Base Prospectus. In addition, such documents will be available, without charge, at the principal office of the Paying Agent in Luxembourg and on the Mediobanca's website at the following link (<https://www.mediobanca.com/en/investor-relations/results-presentations/results.html>) and on the Mediobanca International's website (<https://www.mediobancaint.lu/en/investor-documentation.html>) ) and at the following link <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html>.

The following table shows where some of the information incorporated by reference can be found in the above-mentioned documents. Information contained in those documents other than the information listed below does not form part of this Base Prospectus and is either not relevant or covered elsewhere in this Base Prospectus.

*Cross-reference list in respect of the Mediobanca, Mediobanca International and MBFL financial statements*

<b>Mediobanca - Consolidated annual financial statements</b>		
	<b>2022</b>	<b>2021</b>
Balance sheet	Pages 98-99	Pages 94-95
Statement of income	Pages 100-101	Pages 96-97
Statement of changes in equity	Pages 102-103	Pages 98-99
Cash flow Statement	Pages 104-105	Pages 100-101
Accounting policies and explanatory notes	Pages 107-387	Pages 103-371
Auditors' reports	Pages 84-96	Pages 80-91

  

<b>Mediobanca International - Non-Consolidated annual financial statements</b>		
	<b>2022</b>	<b>2021</b>
Statement of financial position	Pages 38-39	Pages 36-37
Statement of comprehensive income	Page 40	Page 38
Statement of changes in equity	Pages 41-42	Pages 39-40
Cash flow statement	Page 43	Page 41
Accounting policies and explanatory notes	Pages 44-161	Pages 43-150
Auditors' reports	Pages 32-36	Pages 29-34

  

<b>MBFL - Non-Consolidated annual financial statements</b>		
	<b>2022</b>	<b>2021</b>
Independent Auditor's reports	Pages 2-4	Pages 2-4
Balance sheet	Pages 5-9	Pages 5-9
Profit and loss account	Pages 10-11	Pages 10-11
Notes to the annual account	Pages 12-19	Pages 12-18

  

<b>Mediobanca - Consolidated half-yearly financial statements</b>	
	<b>2022</b>
Consolidated Balance sheet	Pages 73-74
Consolidated Profit and Loss Account	Page 75
Consolidated Comprehensive Profit and Loss Account	Page 76
Statement of changes in Consolidated Net Equity	Pages 77-78
Consolidated Cash flow Statement Direct Method	Page 79
Reconciliation of Movements in Cash Flow during the Period	Page 80
Notes to the accounts	Pages 81-309

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**Mediobanca International – Non-Consolidated half-yearly financial statements**

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**2022**

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Statement of financial position	Pages 22-23
Statement of comprehensive income	Page 24
Statement of changes in equity	Pages 25-26
Cash flow statement	Pages 27
Accounting policies and explanatory notes	Page 29-48
Notes to the accounts	Pages 28-85

## SUPPLEMENTS AND FURTHER PROSPECTUSES

The Issuers will update this Base Prospectus by preparing a replacement prospectus, setting out the changes in the operations and financial conditions of the Issuers, at least every year after the date of this Base Prospectus and each subsequent Base Prospectus.

The Issuers have given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to the information contained in this Base Prospectus which is capable of affecting the assessment of the Notes, they shall prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer a number of copies of such supplement as a Dealer may reasonably request.

In addition, the Issuers and the Guarantor may agree with any Dealer to issue Notes in a form not contemplated in the section of this Base Prospectus entitled "*Form of Final Terms*". To the extent that the information relating to that Tranche of Notes constitutes a significant new factor in relation to the information contained in this Base Prospectus, a separate prospectus specific to such Tranche (a "**Drawdown Prospectus**") will be made available and will contain such information. Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the relevant Issuer and (if applicable) the Guarantor and the relevant Notes or (2) pursuant to Article 6.3 of the Prospectus Regulation, by a registration document containing the necessary information relating to the relevant Issuer and (if applicable) the Guarantor, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, references in this Base Prospectus to information specified or identified in the Final Terms shall (unless the context requires otherwise) be read and construed as information specified or identified in the relevant Drawdown Prospectus.

## DESCRIPTION OF THE SECURITY AND COLLATERAL ASSETS

Notes may be either Secured Notes or Unsecured Notes as specified in the applicable Final Terms. If the Notes are Secured Notes, MBFL will grant to the Security Trustee the following security to secure its obligations under the Secured Notes and any Charged Agreement(s) in each case, save to the extent the relevant asset or right is charged under an Additional Charging Document:

- (i) a first fixed charge and a first ranking assignment by way of security of all of the MBFL's rights, title and/or interests (the **Issuer's Rights**) in, to and under the Collateral Assets; and
- (ii) a first ranking assignment by way of security of all of the Issuer's Rights under each Charged Agreement and each Additional Charged Agreement in respect of such Notes.

The Initial Collateral Assets and the Eligible Collateral (where applicable) will be specified in the applicable Final Terms and may comprise any of loans, cash, debt securities listed on a regulated market, equity securities listed on a regulated market and/or shares, units or other interests in a UCITS fund, or other assets.

Where the Charged Agreement/Collateral Arrangements are specified as applying in the Final Terms, the Charged Agreement(s) in respect of each Series of Secured Notes will be a swap agreement, repurchase agreement or sale and purchase agreement entered into between MBFL and the Counterparty and, if applicable, a Credit Support Document, each as described below. The purpose of the swap agreement, repurchase agreement or sale and purchase agreement (referred to as the Transfer Agreement) may be to allow MBFL to perform its scheduled obligations under the Secured Notes, all as described more fully in the applicable Final Terms. If so specified in the applicable Final Terms MBFL and the Counterparty may enter into a Credit Support Document under which MBFL and/or the Counterparty will collateralise its obligations in respect of the Transfer Agreement. In respect of certain Series of Secured Notes MBFL and the Counterparty may each appoint one or more agents to perform certain custodial and administrative functions relating to their obligations under the Transfer Agreement or the Credit Support Document, or the Collateral Assets as applicable. If applicable an Additional Charged Agreement may be specified in the Final Terms.

### **Adjustment of Collateral Assets**

The terms of the Secured Notes may provide that the Collateral Assets may be adjusted in accordance with the terms of Secured Notes Condition 5 (*Adjustment of Collateral Assets*). Such adjustment will be as specified in the applicable Final Terms and may be in whole or in part and may be for cash or other assets. Such adjustment may involve MBFL topping up, removing, maintaining and/or substituting Collateral Assets and this may diminish or have an adverse effect on the value of the Collateral Assets in some circumstances.

In respect of certain Series of Secured Notes MBFL may appoint one or more agents to perform certain custodial and administrative functions relating to the Collateral Assets.

The Collateral Assets in respect of the Secured Notes will comprise one or more of the following assets:

**Loans**

Loan(s) to one or more borrowers.

**Cash**

Cash in a stipulated currency and amount.

**Debt securities**

Debt securities listed on a regulated market.

**Equity securities**

Equity securities listed on a regulated market.

**Shares, units or interests in a UCITS Fund**

Shares, units or interests in a UCITS Fund.



## FORMS OF THE NOTES

### Temporary or Permanent Global Note

Unless otherwise provided in the relevant Final Terms, each Tranche of Notes will initially be in the form of either a temporary global note (a "**Temporary Global Note**"), without Coupons, or a permanent global note (a "**Permanent Global Note**"), without Coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in a new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the Issue Date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream Luxembourg**" or "**CBL**") and/or any other relevant clearing system and/or deposited directly with Euronext Securities Milan ("**Euronext Securities Milan**", the commercial name of Monte Titoli S.p.A.) and/or any other centralised custodian appointed by the Issuers (together, the "**Centralised Custodian**") and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be (i) deposited on or around the Issue Date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream Luxembourg, and (ii) the relevant Final Terms will indicate that the Global Note is intended to be held in a manner which would allow Eurosystem eligibility. Depositing a Global Note with a common safekeeper does not necessarily mean that the relevant Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

#### *Temporary Global Note exchangeable for Permanent Global Note*

If the relevant Final Terms specifies the form of Notes as being "*Temporary Global Note exchangeable for a Permanent Global Note*", then the Notes will initially be in the form of a Temporary Global Note without Coupons or Receipts (as defined herein), interests in which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without Coupons, not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any

subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (a) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (b) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership, *provided, however*, that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**"):

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "*in the limited circumstances described in the Permanent Global Note*", then if Euroclear or Clearstream Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of a minimum denomination of Euro 100,000, plus integral multiples of Euro 1,000, provided that such denominations are not less than Euro 100,000 nor more than Euro 199,000. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds an aggregate principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

*Temporary Global Note exchangeable for Definitive Notes*

If the relevant Final Terms specifies the form of Notes as being "*Temporary Global Note exchangeable for Definitive Notes*" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons, interests in which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "*Temporary Global Note exchangeable for Definitive Notes*" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons or Receipts, interests in which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Where the Temporary Global Note is to be exchanged for Definitive Notes, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts (as defined herein) attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

*Permanent Global Note exchangeable for Definitive Notes*

If the relevant Final Terms specifies the form of Notes as being "*Permanent Global Note exchangeable for Definitive Notes*", then the Notes will initially be in the form of a Permanent Global Note, without Coupons or Receipts, interests in which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "*in the limited circumstances described in the Permanent Global Note*", then if (a) Euroclear or Clearstream Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an

exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of a minimum denomination of Euro 100,000, plus integral multiples of Euro 1,000, provided that such denominations are not less than Euro 100,000 nor more than Euro 199,000. For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Notes. However, a Noteholder who holds an aggregate principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange. Where the Notes are listed on the Euronext Dublin and its rules so require, the Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Base Condition 16 (*Notices*) of the Base Terms and Conditions of the Notes.

#### *Terms and Conditions applicable to the Notes*

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the base terms and conditions set out under "*Base Terms and Conditions of the Notes*" in Part 1 of Chapter 2, as completed by any additional Specific Terms and Conditions set out in Chapters 3 to 12 below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Provisions relating to the Notes while in Global Form*" below.

#### *Legend concerning United States persons*

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in permanent global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

*"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."*

The sections referred to in such legend provide that a United States person who holds a Note, Coupon, Talon or Receipt will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon, Talon or Receipt and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

## **Book-entry form**

If the relevant Final Terms specifies the form of the Notes as being "*Book-entry form*", then the Notes will not be represented by paper certificates and the transfer and exchange of Notes will take place exclusively through an electronic book-entry system managed by Euronext Securities Milan ("**Euronext Securities Milan**", the commercial name of Monte Titoli S.p.A.) or any other Centralised Custodian appointed by the Issuers. Accordingly, all Notes shall be deposited by their owners with an intermediary participant in the relevant Centralised Custodian. The intermediary will in turn deposit the Notes with the Centralised Custodian.

To transfer an interest in the Notes, the transferor and the transferee are required to give instructions to their respective intermediaries. If the transferee is a client of the transferor's intermediary, the intermediary will simply transfer the Notes from the Transferor's account to the account of the transferee. If, however, the transferee is a client of another intermediary, the transferor's intermediary will instruct the centralised clearing system to transfer the Notes to the account of the transferee's intermediary, which will then register the Notes on the transferee's account.

Each intermediary maintains a custody account for each of its clients. This account sets out the financial instruments of each client and the records of all transfers, interest payments, charges or other encumbrances on such instruments. The account holder or any other eligible party may submit a request to the intermediary for the issue of a certified account statement.

In such circumstances, it will not be possible for a Noteholder to obtain physical delivery of Notes certificates representing the Notes.

## ***Euroclear UK & Ireland Limited***

### *CREST Dematerialised Notes*

If the relevant Final Terms specifies the form of the Notes as being "CREST Dematerialised Notes", the Notes will be issued and held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof from time to time (the "**Uncertificated Securities Regulations**"), and as such are dematerialised securities and not constituted by any physical document of title. CREST Dematerialised Notes are participating securities for the purposes of the Uncertificated Securities Regulations. Title to the CREST Dematerialised Notes is recorded on the relevant operator register of eligible debt securities. The Operator is Euroclear UK & Ireland Limited.

The Euroclear Registrar on behalf of the relevant Issuer will maintain a record of uncertificated eligible debt securities (the "**Record**") in relation to the CREST Dematerialised Notes and will procure that the Record is regularly updated to reflect the Operator register of eligible debt securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of CREST Dematerialised Notes shall be treated by the relevant Issuer, the Guarantor, the Euroclear Registrar and any other person as the holder of such number of CREST Dematerialised Notes for all purposes (and the expressions "**Holder**" and "**Holder of Notes**" and related expressions in the context of CREST

Dematerialised Notes shall be construed accordingly), and (ii) none of the Issuers, the Guarantor, the Euroclear Registrar and any other person shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the Euroclear Registrar maintains are in accordance with particulars entered in the Operator register of eligible debt securities relating to the CREST Dematerialised Notes.

#### *CREST Depository Interests*

If the applicable Final Terms specify that the Notes will be accepted for settlement in CREST via the CREST Depository Interest mechanism, indirect interests in Notes will be accepted for settlement through CREST. Following their delivery into a clearing system, interests in the relevant Notes may be delivered, held and settled in CREST by means of the creation of CDIs representing the interests in the relevant Notes. The CDIs will be issued by the CREST Depository to CDI Holders and will be governed by English Law.

The CDIs will represent indirect interests in the interest of the CREST Nominee in the relevant Notes. Pursuant to the documents setting out the legal relationship of CREST with its users and participants (the "**CREST Manual**"), Notes held in global form by a common depository may be settled through CREST and the CREST Depository will issue CDIs. The CDIs will be independent securities, constituted under English law, which may be held and transferred through CREST.

Interests in the relevant Notes will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were a relevant Security for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to CDI Holders any interest or other amounts received by it as holder of the relevant Notes on trust for such CDI Holder. CDI Holders will also be able to receive from the CREST Depository notices of meetings of Holders of the relevant Notes and other relevant notices issued by the relevant Issuer or the Guarantor (if applicable).

The CDIs will have the same ISIN as the ISIN of the relevant Notes and if listed do not require a separate listing. Prospective subscribers for Notes represented by CDIs are referred to Chapter 8 of the CREST International Manual (as defined below) which contains the form of the CREST Global Deed Poll (the "**CREST Deed Poll**") to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg, the relevant Issuer and the Guarantor (if applicable), including the CREST Deed Poll. These rights may be different from those of Holders of Notes which are not represented by CDIs.

CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service (the "**CREST International Settlement Links Service**"). The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

- (a) CDI Holders will not be the legal owners of the relevant Notes. The CDIs are separate legal instruments from such Notes and represent an indirect interest in such Notes;
- (b) the relevant Notes themselves (as distinct from the CDIs representing indirect interests in such Notes) will be held in an account with a custodian. The custodian will hold the relevant Notes through a clearing system;
- (c) rights under the relevant Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians described above;
- (d) the CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of, or prescribed pursuant to, the CREST International Manual dated 8 December 2020, as amended, modified, varied or supplemented from time to time (the "CREST International Manual") and the CREST Rules dated 15 January 2021, as amended, modified, varied or supplemented from time to time (the "CREST Rules") (which, in each case, form part of the CREST Manual) and CDI Holders must comply in full with all obligations imposed on them by such provisions;
- (e) potential investors should note that the provisions of the CREST Deed Poll, the CREST International Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the relevant Issuer and the Guarantor (if applicable) and the CREST Depository;
- (f) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST International Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 20 7849 0000 or from the CREST website at [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI);
- (g) potential investors should note CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the CDIs through the CREST International Settlement Links Service;
- (h) potential investors should note that none of the relevant Issuer, the Guarantor (if applicable), any Manager, any Security Agent or any Registrar will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the Terms and Conditions of the Notes which will include the additional terms and conditions contained in Annex 1 (Additional Terms and Conditions relating to Formulas) in relation to the formulas for Notes, the additional terms and conditions contained in Annex 2 (Additional Terms and Conditions for Index Linked Notes) in the case of Index Linked Notes, the additional terms and conditions contained in Annex 3 (Additional Terms and Conditions for Share Linked Notes) in the case of Share Linked Notes, the additional terms and conditions contained in Annex 4 (Additional Terms and Conditions for ETI Linked Notes) in the case of ETI Linked Notes, the additional terms and conditions contained in Annex 5 (Additional Terms and Conditions for Debt Linked Notes) in the case of Debt Linked Notes, the additional terms and conditions contained in Annex 6 (Additional Terms and Conditions for Commodity Linked Notes) in the case of Commodity Linked Notes, the additional terms and conditions contained in Annex 7 (Additional Terms and Conditions for Inflation Linked Notes) in the case of Inflation Linked Notes, the additional terms and conditions contained in Annex 8 (Additional Terms and Conditions for Currency Linked Notes) in the case of Currency Linked Notes, the additional terms and conditions contained in Annex 9 (Additional Terms and Conditions for Fund Linked Notes) in the case of Fund Linked Notes, the additional terms and conditions contained in Annex 10 (Additional Terms and Conditions for Futures Linked Notes) in the case of Futures Linked Notes, the additional terms and conditions contained in Annex 11 (Additional Terms and Conditions for Interest Rate Linked Notes) in the case of Interest Rate Linked Notes, the additional terms and conditions contained in Annex 12 (Additional Terms and Conditions for Credit Linked Notes) in the case of Credit Linked Notes, the additional terms and conditions contained in Annex 13 (Additional Terms and Conditions for Secured Notes) in the case of Secured Notes (each, an “Annex” and, together the “Annexes”) (the “Conditions”) which will be incorporated by reference into each Global Note or, in the case of Dematerialised Notes (as defined below) or CREST Dematerialised Notes (as defined below), will apply to such Notes. In the case of Notes (other than Dematerialised Notes or CREST Dematerialised Notes), the applicable Final Terms (or the relevant provisions thereof) will be attached to each Global Note.*

For the purposes of Notes which are neither admitted to trading on (a) a regulated market in the European Economic Area or (b) a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in (a) the European Economic Area or (b) the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (“**Exempt Notes**”), references in these Terms and Conditions to “Final Terms” shall be deemed to be references to “Final Terms for Exempt Notes”. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129, as amended.

Mediobanca – Banca di Credito Finanziario S.p.A. (“**Mediobanca**”) and Mediobanca International (Luxembourg) S.A. (“**Mediobanca International**”) and MB Funding Lux S.A. (“**MBFL**”) (each, an “**Issuer**” and, together, the “**Issuers**”) have established a Structured Note Issuance Programme (the “**Programme**”) for the issuance of notes (“**Notes**”), guaranteed by Mediobanca (in its capacity as guarantor, the “**Guarantor**”) in respect of Notes issued by Mediobanca International and MBFL. The Notes will be “**Secured Notes**” or “**Unsecured Notes**” as specified in the applicable Final Terms.

The Notes will be **Secured Notes** (which may only be issued by MBFL) or **Unsecured Notes**, as specified in the



applicable Final Terms.

The Notes (other than CREST Dematerialised Notes) are issued pursuant to an amended and restated Issue and Paying Agency Agreement dated 18 September 2023, as amended or supplemented from time to time, (the "**Issue and Paying Agency Agreement**") between the Issuers, the Guarantor, BNP PARIBAS, Luxembourg Branch, as fiscal agent and principal paying agent (the "**Fiscal Agent**") and Mediobanca in its capacity as Italian paying agent (the "**Italian Paying Agent**" and together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**") and with the benefit of a deed of covenant dated 18 September 2023 which each Issuer has executed in respect of Notes issued by it (each, a "**Deed of Covenant**" and, together, the "**Deeds of Covenant**").

Further party(ies) may be appointed pursuant to the Issue and Paying Agency Agreement in relation to a Series of Secured Notes as Liquidation Agent (the "**Liquidation Agent**").

In relation to issues of CREST Dematerialised Notes (as defined below), Mediobanca and Mediobanca International will enter into an agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "**Euroclear Agreement**") with the entity indicated in the relevant Final Terms as registrar in respect of CREST Dematerialised Notes (the "**Euroclear Registrar**", which expression shall include any successor or additional Euroclear Registrar appointed in respect of CREST Dematerialised Notes). CREST Dematerialised Notes may only be Unsecured Notes.

With respect to Secured Notes, MBFL and BNP PARIBAS, Luxembourg Branch have in addition entered into a Luxembourg law-governed custody agreement (or such other custody agreement that MBFL may enter into governed by a law other than Luxembourg law from time to time with respect to a Series of Secured Notes) (the "**Custody Agreement**") and a Luxembourg law governed account bank agreement (or such other account bank agreement that MBFL may enter into governed by a law other than Luxembourg law from time to time with respect to a Series of Secured Notes) (the "**Account Bank Agreement**") pursuant to which BNP PARIBAS, Luxembourg Branch (or such other entity appointed by MBFL with respect to a Series of Secured Notes) is appointed as custodian with respect to Collateral Assets (the "**Custodian**") and account bank (the "**Account Bank**") respectively. References in these Conditions to the terms Fiscal Agent, Paying Agents, Calculation Agent, Liquidation Agent, Custodian, Account Bank and Settlement Agent shall include any additional or successor agents in such capacity.

The Final Terms may specify details of any Custody Agreement, Account Bank Agreement, Transfer Agreement, Credit Support Document, or Additional Charged Agreement and details of any relevant Counterparty. Where such agreements or entity are not so specified in the Final Terms then any references in these Conditions to those agreements or entity will be deemed not to apply.

The Guarantor has, for the benefit of the holders of Unsecured Notes issued by Mediobanca International from time to time, executed and delivered a deed of guarantee dated 18 September 2023 (the "**Mediobanca International Deed of Guarantee**") under which it has guaranteed, in accordance with the terms and subject to limitations of the Mediobanca International Deed of Guarantee, the due and punctual payment of the amounts due and the performance of any non-cash delivery obligations by Mediobanca International under the Unsecured Notes

and the Deed of Covenant as and when the same shall become due and payable or deliverable, as the case may be (the "**Guarantee of Mediobanca International Notes**").

The Guarantor has, for the benefit of the holders of Unsecured Notes and Secured Notes issued by MBFL from time to time, executed and delivered a deed of guarantee dated 18 September 2023 (the "**MBFL Deed of Guarantee**") under which it has guaranteed, in accordance with the terms and subject to limitations of the MBFL Deed of Guarantee, the due and punctual payment of the amounts due and the performance of any non-cash delivery obligations by MBFL under the Unsecured Notes and Secured Notes and the relevant Deed of Covenant as and when the same shall become due and payable or deliverable, as the case may be (the "**Guarantee of the MBFL Notes**").

The obligations of MBFL in respect of the Secured Notes are secured by a security trust deed dated 18 September 2023 (the "**Programme Trust Deed**") between MBFL, BNP Paribas Trust Corporation UK Limited (the "**Security Trustee**", which expression shall include any successor security trustee) and Mediobanca as the initial Counterparty, as supplemented by a supplemental trust deed (the "**Supplemental Trust Deed**") dated the Issue Date in respect of the first Tranche of a Series of Secured Notes as specified in the applicable Final Terms between MBFL, the Security Trustee and any other party specified therein and together constituting the security described below in respect of the Secured Notes (the Programme Trust Deed and the Supplemental Trust Deed being hereinafter referred to as the "**Security Trust Deed**").

With respect to a Series of Notes, the Noteholders (as defined in Base Condition 1.2 (*Title to Notes*)), the holders of the interest coupons (the "**Coupons**") appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") and the holders of the installment receipts (the "**Receipts**") appertaining to the payment of principal by installments are deemed to have notice of all the provisions of the Issue and Paying Agency Agreement.

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. The terms and conditions applicable to any particular Tranche of Notes are these Conditions, as completed by the relevant Final Terms (the "**Final Terms**"). In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail. All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available during normal business hours at the specified office of the Fiscal Agent, or the Euroclear Registrar (in case of CREST Dematerialised Notes), the initial specified office of which is set out below, save that if the Notes are unlisted, the applicable Final Terms will only be obtainable by a Noteholder and such Noteholder must produce evidence satisfactory to the relevant Fiscal Agent or the Euroclear Registrar (in case of CREST Dematerialised Notes), as to identity. Certain provisions of these Conditions are summaries of the Issue and Paying Agency Agreement or the Euroclear Registrar (in case of CREST Dematerialised Notes) and are subject to their detailed provisions.

The Final Terms issued in respect of each issue of Notes will specify whether the relevant Issuer is Mediobanca, Mediobanca International or MBFL. In these Conditions of the Notes, any reference to a statute or regulation shall be construed as a reference to such statute or regulation as the same may have been, or may from time to time be, amended or re-enacted.

Copies of the Issue and Paying Agency Agreement, the Deeds of Covenant, the Mediobanca International Deed of Guarantee, the MBFL Deed of Guarantee, the Programme Manual (being a manual signed for the purposes of identification by the Issuers and the Fiscal Agent, containing suggested forms and operating procedures for the Programme, including the forms of the Notes in global and definitive form), the Custody Agreement, the Account Bank Agreement and the Programme Trust Deed are available for inspection at the specified office of the Paying Agent.

Copies of the Euroclear Agreement, the Mediobanca International Deed of Guarantee, the MBFL Deed of Guarantee, the Programme Manual (being a manual signed for the purposes of identification by the Issuers and the Euroclear Registrar, containing suggested forms and operating procedures for the Programme) are available for inspection at the specified office of the Euroclear Registrar, or may be provided by email to a Holder following their prior written request to the Euroclear Registrar and provision of proof of holding and identity (in a form satisfactory to the Euroclear Registrar).

Notes issued under the Programme will be in the form of Notes and references in these Conditions to "Note" and "Notes" will be construed accordingly. References herein to the applicable Final Terms are to Part A of the Final Terms or each Final Terms (in the case of any further notes issued pursuant to Base Condition 18 (*Further Issues*) and forming a single series with the Notes) (which for the avoidance of doubt may be issued in respect of more than one series of Notes) attached to the global note in bearer form representing the Notes (the "Global Note") or, in the case of Dematerialised Notes or CREST Dematerialised Notes, will apply to such Notes, insofar as it relates to the Notes.

For the avoidance of doubt, any reference in the Conditions to a level, value, price, percentage, number, amount or date to be indicated in the relevant Final Terms, should be interpreted as reference to one or more of such levels, values, prices, percentages, numbers, amounts or dates, based on what will be indicated in the relevant Final Terms.

## 1. TYPE, TITLE AND TRANSFER

### 1.1. *Type*

The Notes relate to (i) a specified index or basket of indices or futures or options contracts related to a specified index or basket of indices ("**Index Linked Notes**"), (ii) a specified share or basket of shares, or a specified depositary receipt (a "**GDR/ADR**") referencing a share (an "**Underlying Share**") or basket of GDRs and/or ADRs ("**Share Linked Notes**"), (iii) a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or basket of interests in exchange traded instruments ("**ETI Linked Notes**"), (iv) a specified debt instrument or basket of debt instruments or futures or options contracts related to a specified debt instrument or basket of debt instruments (synthetic or otherwise) ("**Debt Linked Notes**"), (v) a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Linked Notes**"), (vi) a specified inflation index or basket of inflation indices ("**Inflation Linked Notes**"), (vii) a specified currency or basket of currencies or futures or options contracts related to a specified currency or basket of currencies ("**Currency Linked Notes**"), (viii) a

## TERMS AND CONDITIONS OF THE NOTES

specified fund share or unit or basket of fund shares or units ("**Fund Linked Notes**"), (ix) a specified futures contract or basket of futures contract(s) ("**Futures Linked Notes**"), (x) a specified underlying interest rate or basket of underlying interest rates ("**Interest Rate Linked Notes**"), (xi) the credit of a specified reference entity or reference entities ("**Credit Linked Notes**"), (xii) and/or any combination of such indices, shares, interests in exchange traded instruments, debt instruments, commodities, commodity indices, inflation indices, currencies, fund shares or units, futures contract(s), underlying interest rate(s), the credit of a specified reference entity or reference entities and other asset classes or types ("**Hybrid Notes**").

If the Notes are Hybrid Notes and Hybrid Notes is specified as applicable in the applicable Final Terms, the terms and conditions of the Notes will be construed on the basis that in respect of each separate type of underlying reference asset or basis, the relevant terms applicable to each such separate type of underlying reference asset or basis will apply, as the context admits, separately and independently in respect of the relevant type of underlying reference asset or basis, except as specified in the applicable Final Terms.

The applicable Final Terms will indicate:

- (i) whether redemption shall be by way of cash payment ("**Cash Settled Notes**") and/or physical delivery ("**Physical Delivery Notes**");
- (ii) whether Averaging ("**Averaging**") will apply to the Notes; and
- (iii) if Averaging is specified as applying in the applicable Final Terms, the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day (as defined in Base Condition 3 below (*Definitions*)), whether Omission, Postponement or Modified Postponement (each as defined in Base Condition 3 (*Definitions*)) applies;
- (iv) the interest amounts payable in respect of the Notes.

Subject as provided below, the Settlement Currency in respect of the Notes will be specified in the applicable Final Terms. If the Notes are Dual Currency Notes, the Final Redemption Amount for each such Note shall be paid in a Settlement Currency which is different from the Relevant Currency of the Notes. If the Notes are Dual Currency Notes and Settlement Currency Barrier Selection is specified as being applicable in the applicable Final Terms, the Settlement Currency in respect of the Final Redemption Amount and/or the relevant payment of Interest Amount will be determined by reference to whether or not the Settlement Currency Barrier Condition is satisfied at the relevant time. If the Settlement Currency Barrier Condition is satisfied at the relevant time the Settlement Currency for the relevant payment will be the First Settlement Currency. If the Settlement Currency Barrier Condition is not satisfied at the relevant time the Settlement Currency for the relevant payment will be the Second Settlement Currency.

References in these Conditions, unless the context otherwise requires, to Cash Settled Notes shall be deemed to include references to Physical Delivery Notes, which include an option (as set out in the applicable Final Terms) at the relevant Issuer's election to request cash settlement of such Note and where settlement is to be by way of cash payment. References in the Conditions, unless the context otherwise requires, to Physical Delivery Notes shall be deemed to include references to Cash Settled Notes which include an option (as set out in the applicable Final Terms) at the relevant Issuer's election to request physical delivery of the relevant underlying asset in

settlement of such Note and where settlement is to be by way of physical delivery.

1.2. *Title to Notes*

In the case of Notes represented by a Global Note held by a common depository on behalf of a relevant Clearing System, each person who is for the time being shown in the records of the relevant Clearing System(s) as the holder of a particular number of Notes (in which regard any certificate or other document issued by the relevant Clearing System(s) as to the number of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor, if any, the Paying Agents and the Calculation Agent and all other persons dealing with such person as the holder of such number of Notes for all purposes (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly).

In the case of Dematerialised Notes, the person who is for the time being shown in the records of the relevant Clearing System(s) as the holder of a particular amount of Notes (in which regard any certificate, record or other document issued by the relevant Clearing System(s) as to the amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by applicable law) be treated for all purposes by the Issuer, the Guarantor, if any, the Paying Agents and the Calculation Agent and all other persons dealing with such person as the holder thereof and as the holder of such number of Notes for all purposes (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly, except where the Notes are Italian Dematerialised Notes, in which case “**Noteholder**” and “**holder of Notes**” will be exclusively deemed to be the beneficial owner of the Notes). The Issuer shall cause Italian Dematerialised Notes to be dematerialised and centralised with Euronext Securities Milan (the commercial name of Monte Titoli S.p.A.) (“**ESM**”), pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

In the case of CREST Dematerialised Notes, title to CREST Dematerialised Notes is recorded on the relevant Operator register of eligible debt securities. The Euroclear Registrar on behalf of the relevant Issuer will maintain a record of uncertificated eligible debt securities (the “**Record**”) in relation to the CREST Dematerialised Notes and will procure that the Record is regularly updated to reflect the Operator register of eligible debt securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of CREST Dematerialised Notes shall be treated by the relevant Issuer, the Guarantor, the Euroclear Registrar and any other person as the holder of such number of CREST Dematerialised Note for all purposes (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions in the context of CREST Dematerialised Notes shall be construed accordingly), and (ii) none of the relevant Issuer, the Guarantor, the Euroclear Registrar and any other person shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the Euroclear Registrar maintains are in accordance with particulars entered in the Operator register of eligible debt securities relating to the CREST Dematerialised Notes.

No provisions of these Conditions as completed by the applicable Final Terms shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to CREST Dematerialised Notes in uncertificated form, (II) the transfer of title to CREST Dematerialised Notes

by means of a relevant system or (III) the Uncertificated Securities Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the applicable Final Terms, so long as the CREST Dematerialised Notes are participating securities, (A) the Operator register of eligible debt securities relating to the CREST Dematerialised Notes shall be maintained at all times outside the United Kingdom, (B) the CREST Dematerialised Notes may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Securities Regulations, and (C) for the avoidance of doubt, the Conditions and the applicable Final Terms in relation to any CREST Dematerialised Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such CREST Dematerialised Note.

As used herein each of "**Operator register of eligible debt securities**", "**participating securities**" and "**relevant system**" is as defined in the Uncertificated Securities Regulations and the relevant Operator (as such term is used in the Uncertificated Securities Regulations) is Euroclear UK & Ireland Limited or any additional or alternative operator from time to time approved by Mediobanca, Mediobanca International or MBFL (as the case may be). as Issuer, Mediobanca as Guarantor and the Euroclear Registrar in relation to the CREST Dematerialised Notes and in accordance with the Uncertificated Securities Regulations. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the Holders of CREST Dematerialised Notes in accordance with Base Condition 16 (*Notices*).

### 1.3. *Transfers of Notes*

For so long as the Notes are represented by Notes in definitive form ("**Definitive Notes**"), title to the Notes will pass by delivery.

For so long as the Notes are represented by a Global Note, all transactions (including transfers of Notes) in the open market or otherwise must be effected through an account at the relevant Clearing System(s), subject to and in accordance with the rules and procedures for the time being of the relevant Clearing System(s). Title will pass upon registration of the transfer in the books of the relevant Clearing System(s).

If the relevant Final Terms specifies that the Notes will be held in dematerialised form ("**Dematerialised Notes**"), then the Notes will not be represented by paper certificates and the transfer and exchange of Notes will take place exclusively through an electronic book-entry system managed by ESM or any other centralised custodian appointed by the Issuers (the "**Centralised Custodian**"). Accordingly, all Notes in dematerialised form shall be held by their owners with an intermediary participant the relevant Centralised Custodian. The intermediary will in turn hold the Notes with the Centralised Custodian.

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

Any reference herein to a Clearing System(s), Euroclear and/or Clearstream, Luxembourg and/or ESM shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system

approved by the relevant Issuer and the Fiscal Agent from time to time and notified to the Noteholders in accordance with Base Condition 16 (*Notices*).

Any transfer or attempted transfer within the United States or to, or for the account or benefit of, a United States person shall be null and void *ab initio* and shall vest no rights in the purported transferee (the “**Disqualified Transferee**”) and the last preceding holder that was not a Disqualified Transferee shall be restored to all rights as a Noteholder thereof retroactively to the date of transfer of such interest by the relevant Noteholder.

## 2. STATUS OF THE NOTES AND THE GUARANTEE

### 2.1. *Status of the Notes*

The Unsecured Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law and subject to any Italian Bail-in Power, with reference to Notes issued by Mediobanca, and any Luxembourg Bail-in Power, with reference to Notes issued by Mediobanca International) equally with all other unsecured obligations other than subordinated obligations, if any, of the relevant Issuer from time to time outstanding.

The Secured Notes constitute direct, unconditional, unsubordinated and secured obligations of MBFL and rank *pari passu* among themselves.

### 2.2. *Status of the Guarantees*

The Guarantee of the Mediobanca International Notes constitutes direct, unconditional, unsubordinated and unsecured obligations of the Guarantor pursuant to the terms and conditions and subject to the limitations set out in the Mediobanca International Deed of Guarantee which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law and subject to any Italian Bail-in Power.

The Guarantee of the MBFL Notes constitutes direct, unconditional, unsubordinated and unsecured obligations of the Guarantor pursuant to the terms and conditions and subject to the limitations set out in the MBFL Deed of Guarantee which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law and subject to any Italian Bail-in Power.

As more fully set forth in each of the Mediobanca International Deed of Guarantee and the MBFL Deed of Guarantee, the Guarantor shall at all times have the right, at its sole and unfettered discretion, to elect not to deliver or procure delivery of the Entitlement to the holders of Physical Delivery Notes when the same shall become due and deliverable, but in lieu thereof to pay an amount in cash determined by the Guarantor acting in good faith and in a commercially reasonable manner equal to the Guaranteed Final Redemption Amount. The “**Guaranteed Final Redemption Amount**” in respect of each Note means an amount calculated pursuant to the terms of, or as specified in, the applicable Final Terms or, if not specified in the applicable Final Terms, an amount equal to the fair market value of the Entitlement in respect of such Note on any date notified as such by the Guarantor to the Issuer and the

Calculation Agent, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as determined by the Guarantor in its sole and absolute discretion.

Any payment of the Guaranteed Final Redemption Amount, in lieu of the Entitlement shall constitute a complete discharge of the Guarantor's obligations in respect of such Physical Delivery Notes.

2.3. *No negative pledge*

There is no negative pledge in respect of the Notes.

**3. DEFINITIONS**

For the purposes of these Base Conditions, the following general definitions will apply:

"**Additional Disruption Event**" is as defined in Base Condition 13.1 (*Definitions*);

"**Adjustment Date**" is as defined in Base Condition 22 (*Adjustments for European Monetary Union*);

"**Administrator/Benchmark Event**" is as defined in Base Condition 13.1 (*Definitions*);

"**AER Range Level**" is as defined in Base Condition 8.5(c);

"**AER Range Level 1**" is as defined in Base Condition 8.5(c);

"**AER Range Level 2**" is as defined in Base Condition 8.5(c);

"**Affected Component Security**" is as defined in this Base Condition 3 (*Definitions*) under the definition of Strike Date and the definition of Valuation Date;

"**Affected Item**" is as defined in this Base Condition 3 (*Definitions*) under the definition of Averaging Date, Strike Date, Valuation Date and in Commodity Linked Note Condition 1 (*Definitions*) under the definition of Commodity Fallback Value;

"**Affected Relevant Assets**" is as defined in Base Condition 13.1 (*Definitions*);

"**Affected Share**" is as defined in Base Condition 13.2(c) and Share Linked Note Condition 5.2 (e);

"**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;

"**Alternate Cash Amount**" is as defined in Base Condition 4.5 (*Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*);



"**Alternative Currency**" is the currency alternative to the Base Currency, indicated in the relevant Final Terms;

"**Annex**" is as defined in paragraph 1 of these Base Conditions;

"**Applicable Banking Regulations**" is as defined in Base Condition 13.1 (*Definitions*);

"**Asset Instruments**" is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

"**Automatic Early Redemption Amount**" is as defined in Base Condition 8.5(c) and 8.6 (*Automatic Early Redemption – Automatic Early Redemption Payout Capitalised Call and Put Notes 1*);

"**Automatic Early Redemption Event**" is as defined in Base Condition 8.5(c) and 8.6 (*Automatic Early Redemption – Automatic Early Redemption Payout Capitalised Call and Put Notes 1*);

"**Automatic Early Redemption Date**" is as defined in Base Condition 8.5(c) and, 8.6 (*Automatic Early Redemption – Automatic Early Redemption Capitalised Call and Put Notes 1*);

"**Automatic Early Redemption Level**" is as defined in Base Condition 8.5(c);

"**Automatic Early Redemption Payout**" is as defined in Formulas Condition 2.1 (*Automatic Early Redemption Payouts*);

"**Automatic Early Redemption Valuation Date**" is as defined in Base Conditions 8.5(c) and 8.6 (*Automatic Early Redemption – Automatic Early Redemption Payout Capitalised Call and Put Notes 1*);

"**Averaging**" is as defined in Base Condition 1.1 (*Type*);

"**Averaging Date**" means:

- (a) in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Futures Linked Notes, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
  - (i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant value, level, price or amount provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant value, level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
  - (ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant value, level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was

a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:
- A. where the Notes are Index Linked Notes relating to a single Index (other than a Component Security Index), Share Linked Notes relating to a single Share, ETI Linked Notes relating to a single ETI Interest or Futures Linked Notes relating to single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant value, level, price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and
  - B. where the Notes are Index Linked Notes relating to a single Component Security Index, the Calculation Agent shall determine the level of the Component Security Index for the Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
  - C. where the Notes are Index Linked Notes relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Linked Notes relating to a Basket of Shares, ETI Linked Notes relating to an ETI Basket or Futures Linked Notes relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) the last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether such last consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future, and (II) the Calculation Agent shall determine the relevant value, level, price, or amount for that

Averaging Date in accordance with subparagraph (a)(iii) of the definition of "Valuation Date" below; and

- D. where the Notes are Index Linked Notes relating to a Basket of Component Security Indices, the Averaging Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and for each Component Security Index affected (an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below; or
- (b) in the case of Commodity Linked Notes, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent, any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Linked Note Condition 3 (*Consequence of a Market Disruption Event and Disruption Fallbacks*) shall apply.

"**Base Currency**" is the currency specified as such in the Final Terms;

"**Basket**" means in respect of any Underlying Reference constituted by more than one item, the basket composed of such items in the relative proportions and/or numbers specified in the Final Terms;

"**Basket of Underlying References**" is as defined in Base Condition 8.5(c);

"**Benchmark**" is as defined in Base Condition 13.1 (*Definitions*);

"**Benchmark Modification or Cessation Event**" is as defined in Base Condition 13.1 (*Definitions*);

"**BMR**" is as defined in Base Condition 13.1 (*Definitions*);

"**Borsa Italiana Business Day**" means any day on which Borsa Italiana S.p.A. is scheduled to be open for trading during its regular trading session;

"**BRRD**" is as defined in Base Condition 13.1 (*Definitions*);

"**Business Day**" means (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and, except in case of CREST Dematerialised Notes, on which the relevant Clearing System(s) is open for business, or, in case of CREST Dematerialised Notes, a day on which the Operator is open for business (ii) if T2 is specified as a Business Day Centre in the applicable Final Terms, a day on which the real-time gross settlement system operated by the Eurosystem, or any successor system (the "**T2**") is open for the settlement of payments in Euro (a "**TARGET Day**"), (iii) if "U.S. Government Securities Business Day" is specified as Business Day Centre then "Business Day" shall also be any weekday that

is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Business Day Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed, (iv) for the purposes of making payments in euro, any TARGET Day, and (v) in the case of Physical Delivery Notes, a day that is also a Scheduled Trading Day. If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (ii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day, save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interests on that payment will not accrue during the period from and after scheduled final Interest Payment Date, (iii) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day or (iv) the Modified Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day unless it would thereby fall into the previous calendar month, in which event such date shall be brought forward to the immediately following Business Day;

**"Buy Back Price"** is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

**"Calculated Additional Disruption Amount"** is as defined in Base Condition 13.2(b)(ii);

**"Calculated Additional Disruption Amount Determination Date"** is as defined in Base Condition 13.2(b)(ii);

**"Calculation Agent"** means Mediobanca - Banca di Credito Finanziario S.p.A. or the different entity indicated in the relevant Final Terms;

**"Calculation Period"** means each Interest Period, AER Calculation Period or FR Calculation Period, Call Calculation Period or Put Calculation Period, as applicable;

**"Call Option"** means, if the relevant Final Terms specify that the Call Option is applicable in relation to the Notes, the option which can be irrevocably exercised by the Issuer during the Call Option Exercise Notice Period(s) pursuant to Base Condition 8.7 (*Issuer Call Option*);

**"Call Option Condition(s)"** has the meaning given in Base Condition 8.7 (*Issuer Call Option*);

**"Call Option Condition Exercise Notice"** has the meaning given in Base Condition 8.7 (*Issuer Call Option*);

**"Call Option Exercise Notice"** has the meaning given in Base Condition 8.7 (*Issuer Call Option*);

**"Call Option Exercise Notice Period"** means, if the Call Option is applicable in relation to the Notes, the period – as specified in the Final Terms – within which the Issuer may notify, in accordance with Base Condition 8.7 (*Issuer Call Option*), the intention to exercise the Call Option;

**"Call Payout"** is as defined in Formulas Condition 4.1 (*Issuer Call Option Payouts Formulas*);

"**Cash-CDS Arbitrage**" is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

"**Cash Instrument**" is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

"**CDS Components**" is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

"**Change in Law**" is as defined in Base Condition 13.1 (*Definitions*) and Credit Linked Note Condition 13 (*Definitions*);

"**Clearing System**" shall mean Euroclear and/or Clearstream, Luxembourg and/or ESM and/or Euroclear UK & Ireland Limited ("**CREST**") or such other clearing system or Centralised Custodian as may be specified in the applicable Final Terms;

"**Commodity Linked Notes**" is as defined in Base Condition 1.1 (*Type*);

"**Component**" means in respect of any Underlying Reference constituted by a Basket, each component comprised in such Basket;

"**Compounded SOFR**" is as defined in Base Condition 7(d);

"**CRD IV**" is as defined in Base Condition 13.1 (*Definitions*);

"**CRD IV Directive**" is as defined in Base Condition 13.1 (*Definitions*);

"**CRD IV Implementing Measure**" is as defined in Base Condition 13.1 (*Definitions*);

"**CRR**" is as defined in Base Condition 13.1 (*Definitions*);

"**Credit Index**" is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

"**Credit Linked Notes**" is as defined in Base Condition 1.1 (*Type*) and Credit Linked Note Condition 13 (*Definitions*);

"**CREST Dematerialised Notes**" means Notes issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001 (as amended, modified or re-enacted and such other regulations made under Sections 783, 784(3), 785 and 788 of the Companies Act 2006 as are applicable to the Euroclear Registrar);

"**Currency Event**" is as defined in Base Condition 13.1 (*Definitions*);

"**Currency Linked Notes**" is as defined in Base Condition 1.1 (*Type*);

"**Current Interest Period**" is as defined in Base Condition 8.5(c);

"**Day Count Fraction**" is as defined in Base Condition 8.5(c), Base Condition 8.7 (*Issuer Call Option*), Base Condition 7(n), in Formulas Condition 1.1 (kkk), in Formulas Condition 3.1(f) and in Formulas Condition 4.1(e);

"**Debt Instruments**" and "**Debt Instrument**" mean, subject to adjustment in accordance with Annex 5 (*Additional*

*Terms and Conditions for Debt Linked Notes*), in the case of an issue of Notes relating to a Basket of Debt Instruments, each debt instrument and, in the case of an issue of Notes relating to a single Debt Instrument, the debt instrument, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"**Debt Linked Notes**" is as defined in Base Condition 1.1 (*Type*);

"**Delivery Date**" is as defined in Base Condition 12.4 (*Physical Delivery Notes*), in Commodity Linked Note Condition 1 (*Definitions*) and Credit Linked Note Condition 13 (*Definitions*);

"**Deliverable Obligation**" is as defined in Credit Linked Note Condition 13 (*Definitions*);

"**Disqualified Transferee**" is as defined in Base Condition 1.3 (*Transfers of Notes*);

"**Disrupted Amount**" is as defined in Base Condition 4.7(vi);

"**Disrupted Day**" is as defined in Index Linked Note Conditions 1 (*Definitions*), in Share Linked Note Condition 1 (*Definitions*), in ETI Linked Note Condition 1 (*Definitions*) in Debt Linked Note Condition 11 (*Definitions*), in Currency Linked Note Condition 1 (*Definitions*) and in Futures Linked Note Condition 1 (*Definitions*);

"**Disrupted Settlement Date**" is as defined in Base Condition 4.7(vi);

"**Dual Currency Notes**" means Notes which are Cash Settled Notes and in relation to which Dual Currency Notes is specified as being applicable in the relevant Final Terms;

"**Early Redemption Entitlement**" is as defined in Base Condition 8.5 (c);

"**Early Closure**" is as defined in Index Linked Note Condition 1 (*Definitions*), Share Linked Note Condition 1 (*Definitions*), ETI Linked Note Condition 1 (*Definitions*) and Futures Linked Note Condition 1 (*Definitions*);

"**Entitlement**" means, in relation to a Physical Delivery Note, and an Underlying Reference or, as the case may be, a Component, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Noteholder is entitled to receive on the Maturity Date in respect of each such Note following payment of any sums payable and Expenses rounded down as provided in Base Condition 8.3 (*Physical Settlement*), as determined by the Calculation Agent including any documents evidencing such Entitlement which amount will be the Entitlement Amount specified in the applicable Final Terms or (in the case of a Credit Linked Note) the relevant obligations and/or other assets as specified in the Credit Linked Note Conditions).

"**Entitlement Amount**" means, in relation to a Physical Delivery Note, the amount specified in the applicable Final Terms or determined by the Calculation Agent in accordance with the following:

- (a) If MFP Entitlement Amounts is specified as applicable in the applicable Final Terms, the amount determined in accordance with the Entitlement Amount Formulas set out in Annex 1 (*Additional Terms and Conditions relating to Formulas*);
- (b) Otherwise:

- a. the Entitlement Units; multiplied by
- b. the Entitlement Multiplier; multiplied by
- c. in respect of any Underlying Reference constituted by a Basket, the relevant Weighting;

"**Entitlement Units**" is as defined in the applicable Final Terms;

"**Entitlement Multiplier**" is as defined in the applicable Final Terms;

"**ESM Accountholder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with ESM which has credited to its notes account with ESM one or more entries in respect of the Notes held in book-entry form (except for ESM in its capacity as an accountholder of another Clearing System);

"**Established Rate**" is as defined in Base Condition 22 (*Adjustments for European Monetary Union*);

"**ETI Linked Notes**" is as defined in Base Condition 1.1 (*Type*);

"**Euroclear**" means Euroclear Bank SA/NV;

"**Euronext Dublin**" means the Irish Stock Exchange plc trading as Euronext Dublin;

"**Exchange Disruption**" is as defined in Index Linked Note Condition 1 (*Definitions*), Share Linked Note Condition 1 (*Definitions*), ETI Linked Note Condition 1 (*Definitions*) and Futures Linked Note Condition 1 (*Definitions*);

"**Exchange Rate**" means the applicable rate of exchange indicate in the relevant Final Terms;

"**Expenses**" is as defined in Base Condition 17(a);

"**Extra-Yield**" is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

"**Extraordinary External Event**" is as defined in Base Condition 13.1 (*Definitions*);

"**Failure to Deliver due to Illiquidity**" is as defined in Base Conditions 4.2 (*Failure to Deliver due to Illiquidity*) and Base Condition 13.1(*Definitions*);

"**Failure to Deliver Settlement Price**" is as defined in Base Condition 13.2;

"**Final Payout**" is as defined in Formulas Condition 1.1 (*Final Payouts Formulas*);

"**Final Redemption Amount**" means, in relation to a Cash Settled Note, the amount in the Settlement Currency which the Noteholder is entitled to receive on the Maturity Date in relation to each such Note, in each case as specified in the applicable Final Terms or determined by the Calculation Agent in accordance with the Final Payouts included in Annex 1 (*Additional Terms and Conditions relating to Formulas*), provided in each case that the Final Redemption Amount will not be greater than the Maximum Amount (if any) and will not be less than the Minimum Amount (if any), as specified in the relevant Final Terms. The Final Redemption Amount shall be

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rounded to the nearest sub-unit of the relevant Redemption Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, provided that if Rounding Convention 2 is specified as applicable in the applicable Final Terms, the Final Redemption Amount shall not be subject to rounding but Notes of the same Series held by the same Noteholder will be aggregated for the purpose of determining the aggregate Final Redemption Amount in respect of such Notes and such aggregate of Final Redemption Amounts will be rounded down to the nearest whole sub-unit of the Settlement Currency in such manner as the Calculation Agent shall determine, provided that if the Final Payout is zero, no amount shall be payable in respect of the relevant Note. This definition shall not apply to Credit Linked Notes.

If the Final Redemption Amount is not an amount in the Settlement Currency, if specified in the applicable Final Terms it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms.

**"First Settlement Currency"** is the currency specified as such in the applicable Final Terms;

**"Fund Business Day"** is as defined in Fund Linked Note Condition 1 (*Definitions*);

**"Fund Linked Notes"** is as defined in Base Condition 1.1 (*Type*);

**"Future"** is as defined in Futures Linked Note Condition 1 (*Definitions*);

**"Futures Linked Notes"** is as defined in Base Condition 1.1 (*Type*);

**"Index"** is as defined in Index Linked Note Condition 1 (*Definitions*);

**"Index-Components Arbitrage"** is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

**"FX Settlement Disruption Currency"** is as defined in Base Condition 4.7(vi);

**"FX Settlement Disruption Cut-off Date"** is as defined in Base Condition 4.7(ii)A;

**"FX Settlement Disruption Event"** is as defined in Base Condition 4.7(vi);

**"FX Settlement Disruption Exchange Rate"** is as defined in Base Condition 4.7(vi)

**"FX Settlement Disruption Expenses"** is as defined in Base Condition 4.7(vi);

**"FX Settlement Disruption Notice"** is as defined in Base Condition 4.7(i);

**"GDR/ADR"** is as defined in Base Condition 1.1 (*Type*) and Share Linked Note Condition 9 (*Definitions relating to GDR/ADR*);

**"General Funded Arbitrage"** is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

**"Government Authority"** is as defined in Base Condition 13.1 (*Definitions*);

**"Guaranteed Final Redemption Amount"** is as defined in Base Condition 2.2 (*Status of Guarantee*);



"**Hedge**" is as defined in Base Condition 13.1 (*Definitions*);

"**Hedging Disruption**" is as defined in Base Condition 13.1 (*Definitions*) and Credit Linked Note Condition 13 (*Definitions*);

"**Hedging Shares**" is as defined in Base Condition 13.1 (*Definitions*) and ETI Linked Note Condition 1 (*Definitions*);

"**Hybrid Business Day**" has the meaning given to such term in the applicable Final Terms;

"**Hybrid Notes**" is as defined in Base Condition 1.1 (*Type*);

"**Increased Cost of Hedging**" is as defined in Base Condition 13.1 (*Definitions*) and Credit Linked Note Condition 13 (*Definitions*);

"**Increased Cost of Stock Borrow**" is as defined in Base Condition 13.1 (*Definitions*);

"**Index Linked Notes**" is as defined in Base Condition 1.1 (*Type*);

"**Inflation Linked Notes**" is as defined in Base Condition 1.1(*Type*);

"**Initial Stock Loan Rate**" is as defined in Base Condition 13.1 (*Definitions*);

"**Insolvency Filing**" is as defined in Base Condition 13.1 (*Definitions*);

"**Interest Amount**" is as defined in Base Condition 7(n);

"**Interest Determination Date**" is as defined in Base Condition 7(b)(iv), Base Condition 7(c)(iii), and Base Condition 7(n);

"**Interest Payment Date (s)**" is as defined in Base Condition 7(n);

"**Interest Period**" is as defined in Base Condition 7(n)

"**Interest Rate**" is as defined in Base Condition 7(n);

"**Interest Valuation Date(s)**" has the meaning specified in the applicable Final Terms;

"**Intervening Period**" is as defined in Base Condition 4.4 (*Intervening Period*);

"**ISDA Definitions**" is as defined in Base Condition 7(n);

"**ISDA Fallback Adjustment**" is as defined in Base Condition 7(d);

"**ISDA Fallback Rate**" is as defined in Base Condition 7(d);

"**Issue Date**" is as defined in the relevant Final Terms;

"**Issue Price**" is as defined in the relevant Final Terms;

"**Italian Bail-in Power**" is as defined in Base Condition 13.1 (*Definitions*);

"**Italian Dematerialised Notes**" means Notes issued in uncertificated and dematerialised form into ESM pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"**Italian Listed Notes**" means Notes in respect of which the applicable Final Terms state that an application will be made or has been made to admit such Notes to trading on the regulated market of the Italian Stock Exchange or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by Borsa Italiana S.p.A., as the case may be;

"**Italian Stock Exchange**" means the Multilateral Trading Facility of securitised derivatives financial instruments (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.;

"**Jurisdiction Event**" is as defined in Base Condition 13.1 (*Definitions*);

"**Knock-in Determination Day**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Determination Period**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Event**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Level**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Period Beginning Date**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Period Ending Date**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Range Level**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Valuation Time**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Determination Day**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Determination Period**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Event**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

Event);

"**Knock-out Level**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Period Beginning Date**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Period Ending Date**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Range Level**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Valuation Time**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Level**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Structured Rate Notes**" is as defined in Base Condition 7 (*Interest*);

"**Local Currency**" is as defined in Base Condition 13.1 (*Definitions*);

"**Loss of Stock Borrow**" is as defined in Base Condition 13.1 (*Definitions*) and ETI Linked Note Condition 1 (*Definitions*);

"**Luxembourg Bail-in Power**" is as defined in Base Condition 13.1 (*Definitions*);

"**Market Disruption Event**" is as defined in Index Linked Note Condition 2 (*Market Disruption*), in Share Linked Note Condition 2 (*Market Disruption*), ETI Linked Note Condition 2 (*Market Disruption*), Debt Linked Note Condition 3 (*Market Disruption*), Commodity Linked Note Condition 1 (*Market Disruption*) and Futures Linked Note Condition 2 (*Market Disruption*);

"**Market Value**" is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

"**Maturity Date**" means, unless specified otherwise in the applicable Final Terms:

- (a) in relation to Cash Settled Notes (other than Credit Linked Notes):
  - (i) where Averaging is not specified in the applicable Final Terms, (i) the  $n^{\text{th}}$  Business Day following the Valuation Date indicated in the applicable Final Terms provided that if the Notes relate to a Basket and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Components being adjusted as set out in the definition of Valuation Date below, the Maturity Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Component or (ii) the date specified as such in the applicable Final Terms; or
  - (ii) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Notes relate to a Basket and the occurrence

of a Disrupted Day has resulted in an Averaging Date for one or more Components being adjusted as set out in the definition of Averaging Date above, the Maturity Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Component, or such other date as is specified in the applicable Final Terms; and

- (b) in relation to Physical Delivery Notes (other than Credit Linked Notes), the date specified as such in the applicable Final Terms;

**"Maximum Amount"** is as defined in the applicable Final Terms;

**"Minimum Amount"** is as defined in the applicable Final Terms;

**"Maximum Stock Loan Rate"** is as defined in Base Condition 13.1 (*Definitions*) and ETI Linked Note Condition 1 (*Definitions*);

**"National Currency Unit"** is as defined in Base Condition 22(b);

**"Nominal Amount"** is as defined in the relevant Final Terms;

**"Non-Approval Event"** is as defined in Base Condition 13.1 (*Definitions*)

**"Observation Date"** means each date specified as an Observation Date in the applicable Final Terms or if any such date is not a Scheduled Trading Day (in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Futures Linked Notes) or Commodity Business Day (in the case of Commodity Linked Notes), the immediately following Scheduled Trading Day or Commodity Business Day, as applicable. The provisions contained in the definition of "Averaging Date" shall apply if any such day is a Disrupted Day or, in the case of Commodity Linked Notes, a day on which a Market Disruption Event has occurred or is continuing, *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date" unless Observation Day Disruption Consequences is specified as not applicable in the applicable Final Terms, in which case such date will be an Observation Date notwithstanding the occurrence of a Disrupted Day and (i) in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Futures Linked Notes, the provisions of (a)(i)(B), (a)(ii), (a)(iii)(B) or (a)(iv), as applicable, of the definition of "Valuation Date" will apply for the purposes of determining the relevant value, level, price or amount on such Observation Date as if such Observation Date were a Valuation Date that was a Disrupted Day or (ii) in the case of Commodity Linked Notes the provisions of Commodity Linked Note Condition 3 (*Consequence of a Market Disruption Event and Disruption Fallbacks*) will apply.

**"Observation Period"** means the period specified in the relevant Final Terms;

**"Optional Additional Disruption Event"** is as defined in Base Condition 13.1 (*Definitions*);

**"Optional Redemption Amount (Call)"** is as defined in Base Condition 8.7 (*Issuer Call Option*);

**"Optional Redemption Amount (Put)"** is as defined in Base Condition 8.8 (*Noteholders Put Option*)

"**Optional Condition Redemption Amount (Call)**" is as defined in Base Condition 8.7 (*Issuer Call Option*);

"**Optional Condition Redemption Date (Call)**" means, if the Call Option Condition is applicable, the day specified in the relevant Final Terms on which, upon the occurrence of the Call Option Condition, the Issuer may early redeem the relevant Notes;

"**Optional Redemption Date (Call)**" means, if the Call Option has been exercised, the Business Day specified in the relevant Final Terms and/or specified in the relevant Call Option Exercise Notice and/or determined in accordance with the relevant Final Terms, on which the Issuer may early redeem the relevant Notes;

"**Optional Redemption Date (Put)**" means, if a Put Option has been exercised by the relevant Noteholder, the Business Day specified as indicated in Base Condition 8.8 (*Noteholders Put Option*), on which the Issuer may early redeem the relevant Notes;

"**Original Currency**" is as defined in Base Condition 22(a)(ii);

"**Put Option**" means, if the relevant Final Terms specify that Put Option is applicable in relation to the Notes, the option which can be irrevocably exercised by the Noteholder during the Put Option Exercise Notice Period(s) pursuant to Base Condition 8.8 (*Noteholders Put Option*);

"**Put Option Exercise Notice**" is as defined in Base Condition 8.8 (*Noteholders Put Option*);

"**Put Option Exercise Notice Period**" means, if the Put Option is applicable in relation to the Notes, the period – as specified in the Final Terms – within which the Noteholder may exercise, in accordance with Base Condition 8.8 (*Noteholders Put Option*) below, the Put Option;

"**Put Payout**" is as defined in Final Payouts Formulas Condition 3.1 (*Noteholder Put Option Payouts Formulas*);

"**Redemption Valuation Date**" has the meaning specified in the applicable Final Terms;

"**Reference Banks**" is as defined in Base Condition 7(n);

"**Rejection Event**" is as defined in Base Condition 13.1 (*Definitions*);

"**Reference Time**" is as defined in Base Condition 7(d);

"**Relevant Adjustment Provisions**" is as defined in Base Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*) and Base Condition 7(n);

"**Relevant Asset**" means the asset or assets specified in the Final Terms that constitute the Entitlement;

"**Relevant Authority**" is as defined in Base Condition 13.1 (*Definitions*);

"**Relevant Currency**" is as defined in Base Condition 4.7 (vi);

"**Relevant Governmental Body**" is as defined in Base Condition 7(d);

"**Relevant Price**" is as defined in Commodity Linked Note Condition 1 (*Definitions*);

"**Replicating Derivatives**" is as defined in Base Condition 6.2 (*Specific Buy Back Provisions*);

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject, in respect of Index Linked Notes, to subparagraphs (a) and (b) of the definition of Valuation Time, and subject, in respect of Share Linked Notes, to subparagraph (c) of the definition of Valuation Time;

"**Scheduled Trading Day**" is as defined in Index Linked Note Condition 1 (*Definitions*), in Share Linked Note Condition 1 (*Definitions*), in ETI Linked Note Condition 1 (*Definitions*), in Commodity Linked Note Condition 1 (*Definitions*), in Currency Linked Note Condition 1 (*Definitions*), in Futures Linked Note Condition 1 (*Definitions*), in Fund Linked Note Condition 1 (*Definitions*) and in Debt Linked Note Condition 11 (*Definitions*).

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"**Second Settlement Currency**" is the currency specified as such in the applicable Final Terms;

"**Securities Act**" means the U.S. Securities Act of 1933, as amended;

"**Settlement Currency**" means the currency specified as such in the relevant Final Terms;

"**Settlement Currency Barrier Condition**" means that the Settlement Price (as defined in Currency Linked Notes Condition 4 – *Settlement Price*) on the relevant Settlement Price Date is (a) less than, (b) less than or equal to, (c) greater than, (d) greater than or equal to, as specified in the applicable Final Terms, the Settlement Currency Barrier Rate specified in the applicable Final Terms.

"**Settlement Currency Barrier Rate**" is the rate specified as such in the applicable Final Terms.

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms;

"**Settlement Disruption Event**" is as defined in Base Condition 4.1 (*Settlement Disruption*);

"**Settlement Disruption Amount**" is as defined in Base Condition 4.1 (*Settlement Disruption*);

"**Share Linked Notes**" is as defined in Base Condition 1.1 (*Type*);

"**Significant Alteration Event**" is as defined in Base Condition 13.1 (*Definitions*);

"**SOFR**" is as defined in Base Condition 7(d);

"**Specified Maximum Days of Disruption**" means the number of Scheduled Trading Days specified in the applicable Final Terms;

"**SRM Regulation**" is as defined in Base Condition 13.1 (*Definitions*);

"**Stop-Loss Event**" is as defined in Base Condition 13.1 (*Definitions*);

"**Strike Date**" means, in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Futures Linked Notes, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) where the Notes are Index Linked Notes relating to a single Index (other than a Component Security Index), Share Linked Notes relating to a single Share, ETI Linked Notes relating to a single ETI Interest, Debt Linked Notes relating to a single Debt Instrument or Futures Linked Notes relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall determine the relevant level or price:
  - (i) in the case of Index Linked Notes, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
  - (ii) in the case of Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Futures Linked Notes, in accordance with its good faith estimate of the relevant value, level, price or amount as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (b) in the case of Index Linked Notes relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:
  - (i) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Strike Date; and
  - (ii) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless

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each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of the Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Strike Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions.

- (c) in the case of Index Linked Notes relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Linked Notes relating to a Basket of Shares, ETI Linked Notes relating to an ETI Basket, Debt Linked Notes relating to a Basket of Debt Instruments or Futures Linked Notes relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant value, level, price or amount using, in relation to the Affected Item:
- (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (ii) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value, level, price or amount for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (d) in the case of Index Linked Notes relating to a Basket of Component Security Indices, the Strike Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and for each Component Security Index affected (an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the



formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:

- (i) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Strike Date; and
- (ii) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Strike Date shall be deemed to be the earliest date on which the Calculation Agent can determine the level of the Component Security Index in accordance with the above provisions; or

- (e) in the case of Commodity Linked Notes, the Initial Pricing Date; or
- (f) in the case of Interest Rate Linked Notes, the Strike Date specified as such in the applicable Final Terms;

"**Strike Day**" means each date specified as such in the applicable Final Terms and, if Averaging Date Consequences are specified as applicable in the applicable Final Terms, the provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Strike Day";

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

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Base Condition 4.5 (*Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*);

"**Substitute Share**" is as defined in Base Condition 13.2(c) and Share Linked Note Condition 5.2(e);

"**Substitution Date**" is as defined in Base Condition 13.2, Credit Linked Note Condition 13 (*Definitions*), Commodity Linked Note Condition 3(b), Share Linked Note Condition 5.2(e), ETI Linked Note Condition 6.2(b);

"**Suspension/Withdrawal Event**" is as defined in Base Condition 13.1 (*Definitions*);

"**Trading Disruption**" is as defined in Index Linked Note Condition 1 (*Definitions*) and in Share Linked Note Condition 1 (*Definitions*), ETI Linked Note Condition 1 (*Definitions*), Commodity Linked Note Condition 1

(Definitions) and Futures Linked Note Condition 1 (Definitions).

"**Uncertificated Securities Regulations**" means the Uncertificated Securities Regulations 2001 (as amended, modified or re-enacted and such other regulations made under Sections 783, 784(3), 785 and 788 of the Companies Act 2006 as are applicable to the Euroclear Registrar) for the time being in force;

"**Underlying Reference**" is as defined in Base Condition 14.7 (Definitions relating to Knock-in Event/Knock-out Event), and Base Condition 8.7 (Issuer Call Option), Formulas Condition 7 (General Formulas Definitions) and Formulas Condition 1.2 (Additional definitions for Single Final Payout - Capitalised Call and Put Notes, Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and Put Payout Capitalised Call and Put Notes);

"**Underlying Reference Level**" is as defined in Base Condition 8.5 (c) and Formulas Condition 7 (General Formulas Definitions);

"**Underlying Transactions**" is as defined in Base Condition 6.2 (Specific Buy Back Provisions);

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Maturity Date, as the case may be, does not or is not deemed to occur;

"**Valuation Date**" means:

- (a) in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Futures Linked Notes, unless otherwise specified in the applicable Final Terms, the Interest Valuation Date(s) and/or the Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
  - (i) where the Notes are Index Linked Notes relating to a single Index (other than a Component Security Index), Share Linked Notes relating to a single Share, ETI Linked Notes relating to a single ETI Interest, Debt Linked Notes relating to a single Debt Instrument or Futures Linked Notes relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level, price or amount:
    - (I) in the case of Index Linked Notes, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the

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last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

- (II) in the case of Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Futures Linked Notes, in accordance with its good faith estimate of the relevant value, level, price or amount as of the Valuation Time on the last such consecutive Scheduled Trading Day;
- (ii) in the case of Index Linked Notes relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:
- (I) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and
  - (II) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

- (iii) in the case of Index Linked Notes relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Linked Notes relating to a Basket of Shares, ETI Linked Notes relating to a Basket comprised of ETI Interests, Debt Linked Notes relating to a Basket of Debt Instruments or Futures Linked Notes relating to a Basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be, (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the

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Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level, price or amount using, in relation to the Affected Item, the value, level, price or amount as applicable, determined using:

- (I) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
  - (II) in the case of a Share, ETI Interest, Debt or Future, its good faith estimate of the value, level, price or amount for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day; or
- (iv) in the case of Index Linked Notes relating to a Basket of Component Security Indices, the Valuation Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and for each Component Security Index affected (an “**Affected Item**”) by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:
- (I) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and
  - (II) in respect of each Component Security affected (each, an “**Affected Component Security**”) by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

- (b) in the case of Commodity Linked Notes, the Final Pricing Date,

“**Valuation Time**” means:

- (a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or
- (b) (i) in the case of Index Linked Notes relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (ii) in the case of Index Linked Notes relating to Indices other than Composite Indices, Share Linked Notes or ETI Linked Notes unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Interest Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time; and

“**Weighting**” means in respect of any Component comprised in a Basket, the percentage specified in the Final Terms.

#### **4. PHYSICAL DELIVERY PROVISIONS**

##### *4.1. Settlement Disruption*

If, on the Maturity Date, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Delivery Date then such Delivery Date for such Notes shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the relevant Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the relevant Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the

originally designated Delivery Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the relevant Issuer may elect in its sole discretion to satisfy and discharge its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Settlement Disruption Amount (as defined below) up to the 5th Business Day following the date that notice of such election is given to the Noteholders in accordance with Base Condition 16 (*Notices*). Payment of the Settlement Disruption Amount will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) that a Settlement Disruption Event has occurred provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Settlement Disruption Event. No Noteholder shall be entitled to any payment in respect of the relevant Note in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the relevant Issuer or the Guarantor, if any.

For the purposes hereof:

**"Settlement Disruption Amount"** in respect of any relevant Note shall be the fair market value of such Note (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the relevant Issuer acting in good faith and in a commercially reasonable manner (or, whereas provided above some Relevant Assets have been delivered and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

**"Settlement Disruption Event"** means, in the opinion of the Calculation Agent, or, if the provision of Base Condition 2.2 (*Status of Guarantee*) applies, the Guarantor, an event beyond the control of the relevant Issuer or, if the provision of Base Condition 2.2 (*Status of Guarantee*) applies, the Guarantor, as a result of which the relevant Issuer or the Guarantor cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

4.2. *Failure to Deliver due to Illiquidity*

**"Failure to Deliver due to Illiquidity"**, if specified as applicable in the applicable Final Terms, will be an Optional Additional Disruption Event, as described in Base Condition 13.1 (*Definitions*).

4.3. *Issuer's Option to vary Settlement*

If the applicable Final Terms indicate that the relevant Issuer has an option to vary settlement in respect of the Notes the relevant Issuer may, at its sole and unfettered discretion in respect of each such Note, elect not to pay the relevant Noteholders the Final Redemption Amount or not to deliver or procure delivery of the Entitlement to the relevant Noteholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Noteholders, as the case may be. Notification of such election will be given to Noteholders in accordance with Base Condition 16 (*Notices*).

If specified in the applicable Final Terms, the Issuer shall, in respect of each Note, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Noteholders, make payment of the Final Redemption Amount on the Maturity Date to the relevant Noteholders.

4.4. *Intervening Period*

For such period of time after the Maturity Date as the Issuer or any person other than the relevant Noteholder shall continue to be the legal owner of the securities or obligations comprising the Entitlement (the "**Intervening Period**"), neither the relevant Issuer, the Guarantor nor any other person shall (i) be under any obligation to deliver or procure delivery to any Noteholder or any subsequent beneficial owner any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in respect of such securities or obligations, or (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities or obligations during the Intervening Period or (iii) be under any liability to the relevant Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such securities or obligations.

4.5. *Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*

Unless Issuer's Option to Substitute is specified as not applicable in the applicable Final Terms, notwithstanding any provision of these Conditions to the contrary, the Issuer may, in respect of such Notes, if the Calculation Agent determines (acting in good faith and in a commercially reasonable manner) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares or interests in ETIs which are not freely tradable, elect either (a) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner) of such other shares or interests in ETIs which the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, are freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (b) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Noteholders, but in lieu thereof to make payment to the relevant Noteholders on the Maturity Date of an amount equal to the fair market value of the Entitlement on the Redemption Valuation Date as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Noteholders in accordance with Base Condition 16 (*Notices*).

For the purposes hereof, a "**freely tradable**" share or interest in an ETI shall mean (i) with respect to the United States, a share or interest in an ETI, as the case may be, which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share or interest in an ETI, as the case may be, and not purchased from an Affiliate of the issuer of such share or interest in an ETI, as the case may be, or which otherwise meets the requirements of a freely tradable share or interest in an ETI, as the case may be, for purposes of the Securities Act, in each case, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner or (ii) with respect to any other jurisdiction, a share or interest in an ETI, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

4.6. *Index Linked Notes, Currency Linked Notes, Commodity Linked Notes, Inflation Linked Notes, Futures*

Linked Notes and Interest Rate Linked Notes shall not be Physical Delivery Notes.

4.7. *FX Settlement Disruption Event*

If (a) FX Settlement Disruption Event Determination is specified as applicable in the applicable Final Terms and the Calculation Agent determines that the FX Settlement Disruption Event is not attributable to the relevant Issuer, but substantially alters the economics of the Notes compared to the economics as of the Issue Date and the Settlement Currency specified in the applicable Final Terms is a Relevant Currency or (b) if FX Settlement Disruption Event Determination is not specified as applicable in the applicable Final Terms and the Settlement Currency specified in the applicable Final Terms is a Relevant Currency, "FX Settlement Disruption" will apply, and:

- (i) If on the second Business Day prior to the Disrupted Settlement Date, the Calculation Agent (acting in good faith and in a commercially reasonable manner) determines that a FX Settlement Disruption Event has occurred and is subsisting, the relevant Issuer shall give notice (a "**FX Settlement Disruption Notice**") to the Noteholders in accordance with Base Condition 16 (*Notices*) as soon as reasonably practicable thereafter and, in any event, prior to the due date for payment of the relevant Disrupted Amount as the case may be.
- (ii) Following the occurrence of a FX Settlement Disruption Event:
  - A. the date for payment of the relevant Disrupted Amount will be postponed to (a) the second Business Day following the date on which the Calculation Agent determines that a FX Settlement Disruption Event is no longer subsisting or if earlier (b) the date falling thirty calendar days following the Maturity Date or other scheduled date for payment, as applicable, of the relevant Disrupted Amount (the "**FX Settlement Disruption Cut-off Date**") which, for the avoidance of doubt, may be later than the scheduled Maturity Date; and
  - B. (i) in the case of A(a) above, the relevant Issuer will pay or cause to be paid the relevant Disrupted Amount, less (unless FX Settlement Disruption Expenses are indicated as not applicable in the relevant Final Terms) FX Settlement Disruption Expenses (if any), in the Settlement Currency or (ii) in the case of A(b) above, in lieu of paying the relevant Disrupted Amount in the Settlement Currency, the Issuer will, subject to sub-paragraph (iii) below, convert the relevant Disrupted Amount into the FX Settlement Disruption Currency (using the FX Settlement Disruption Exchange Rate determined by the Calculation Agent for the relevant Disrupted Settlement Date) and will pay or cause to be paid the relevant Disrupted Amount, less (unless FX Settlement Disruption Expenses are indicated as not applicable in the relevant Final Terms) FX Settlement Disruption Expenses (if any), in the FX Settlement Disruption Currency on the FX Settlement Disruption Cut-off Date;
- (iii) If sub-paragraph (ii) A(b) applies, the Calculation Agent will determine the FX Settlement Disruption Exchange Rate acting in good faith and in a commercially reasonable manner in accordance with the following procedures:
  - A. the FX Settlement Disruption Exchange Rate shall be the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards) as determined by or on behalf of the



Calculation Agent of the bid and offer Settlement Currency/FX Settlement Disruption Currency exchange rates provided by two or more leading dealers on a foreign exchange market (as selected by the Calculation Agent) on such day; or

- B. if fewer than two leading dealers provide the Calculation Agent with bid and offer Settlement Currency/FX Settlement Disruption Currency exchange rates on such day, the Calculation Agent shall determine the FX Settlement Disruption Exchange Rate acting in good faith and in a commercially reasonable manner.

(iv) For the avoidance of doubt:

- A. No Interest Period will be adjusted as a result of the postponement of any interest pursuant to this Base Condition 4.7; and
- B. No additional interest will be paid in respect of any postponement of the relevant due date for payment.

(v) For the avoidance of doubt, nothing contained in this Base Condition 4.7 shall prevent the Issuer from determining that an Additional Disruption Event and/or Optional Additional Disruption Event has occurred, in which case, the provisions of Base Condition 13 (*Additional Disruption Events and Optional Additional Disruption Events*) shall prevail in the event of any conflict between this Base Condition 4.7 and Base Condition 13 (*Additional Disruption Events and Optional Additional Disruption Events*).

(vi) For these purposes:

**"Disrupted Amount"** means any Final Redemption Amount, Interest Amount or other amount payable;

**"Disrupted Settlement Date"** means the Maturity Date or any other due date for payment;

**"FX Settlement Disruption Currency"** means USD;

**"FX Settlement Disruption Event"** means the occurrence of an event which makes it unlawful, impossible or otherwise impracticable to pay the relevant Disrupted Amount in the Settlement Currency on the scheduled Maturity Date or other date for payment;

**"FX Settlement Disruption Exchange Rate"** means the rate of exchange between the Settlement Currency (as specified in the applicable Final Terms) and the FX Settlement Disruption Currency, determined by the Calculation Agent in accordance with the provisions of sub-paragraph (iii) above;

**"FX Settlement Disruption Expenses"** means the sum of (i) the cost to the Issuer and/or its affiliates of unwinding any hedging arrangements related to the Notes and (ii) any transaction, settlement or other costs and expenses arising directly out of the occurrence of a FX Settlement Disruption Event or the related payment of the Disrupted Amount, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

"**Relevant Currency**" means each of Emirati Dirhams ("**AED**"), Argentinian Pesos ("**ARS**"), Australian Dollars ("**AUD**"), Bermudan Dollars ("**BMD**"), Bulgarian Leva ("**BGN**"), Bahraini Dinars ("**BHD**"), Botswana Pula ("**BWP**"), Brazilian Reals ("**BRL**"), Canadian Dollars ("**CAD**"), Swiss Francs ("**CHF**"), Chilean Pesos ("**CLP**"), Chinese Yuan ("**CNY**"), Czech Republic Korun ("**CZK**"), Danish Kroner ("**DKK**"), Great British Pounds ("**GBP**"), Ghanaian Cedis ("**GHS**"), Hong Kong Dollars ("**HKD**"), Hungarian Forints ("**HUF**"), Indonesian Rupiah ("**IDR**"), Israeli Shekels ("**ILS**"), Icelandic Krónur ("**ISK**"), Jordanian Dinars ("**JOD**"), Japanese Yen ("**JPY**"), Kenyan Shillings ("**KES**"), Kuwaiti Dinars ("**KWD**"), Kazakhstani Tenges ("**KZT**"), Lebanese Pounds ("**LBP**"), Moroccan Dirhams ("**MAD**"), Mauritian Rupees ("**MUR**"), Mexican Pesos ("**MXN**"), Malaysian Ringgits ("**MYR**"), Namibian Dollars ("**NAD**"), Nigerian Naira ("**NGN**"), Norwegian Kroner ("**NOK**"), New Zealand Dollars ("**NZD**"), Omani Riyals ("**OMR**"), Peruvian Nuevos Soles ("**PEN**"), Philippine Pesos ("**PHP**"), Polish Zloty ("**PLN**"), Qatari Riyals ("**QAR**"), Romanian Lei ("**RON**"), Saudi Riyals ("**SAR**"), Swedish Kronor ("**SEK**"), Singaporean Dollars ("**SGD**"), Thai Baht ("**THB**"), Tunisian Dinars ("**TND**"), Turkish Lire ("**TRY**") and South African Rand ("**ZAR**"); and "**USD**" means the lawful currency of the United States of America.

The use of any Relevant Currency in connection with any Note and any payment in the Relevant Currency made by the relevant Issuer or the Guarantor under any Note will be subject to compliance with financial sanctions to which the Issuers and the Guarantor are subject.

#### 4.8. *General*

None of the relevant Issuer, the Guarantor, the Paying Agents and the Calculation Agent shall have any responsibility for any errors or omissions in any calculation or determination in respect of the Notes.

The subscription or purchase of Notes does not confer on any holder of such Notes any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

In making any election, modification, determination or adjustment, the Issuer or the Calculation Agent, as applicable, will act in good faith and in a commercially reasonable manner, to preserve or restore the economics of the agreed terms, as far as reasonably practicable. Any such election, modification, determination or adjustment shall not create a significant imbalance between the rights and obligations of the Issuer compared to the Noteholders, to the detriment of the Noteholders.

If "Essential Trigger" is specified as applicable in the applicable Final Terms, the Issuer or the Calculation Agent, as the case may be, may only modify or adjust the terms of the Notes (other than modifications or adjustments that do not relate to essential characteristics of the Notes) or exercise its discretion to redeem the Notes prior to their scheduled Maturity Date, as described in the Conditions, following an event or circumstance (or combination of events or circumstances) that (a) is not attributable to the Issuer that significantly alters the economics of the Notes compared to the economics as of the Issue Date, or (b) constitutes a *force majeure*.

For the purpose of this Base Condition 4.8, "**essential characteristics**" of the Notes means characteristics of the Notes that are considered essential to the Noteholders generally, including without limitation the yield (coupon structure), the Underlying Reference, the principal protected amount (if any), the identity of the Issuer and of the Guarantor and the scheduled Maturity Date.

The Issuer shall be under no obligation to register or procure the registration of any Noteholder or any other person as the registered holder in respect of any securities or obligations comprised in any Entitlement in the register of, as the case may be, *inter alia*, (i) members of the relevant Share Company as defined in Share Linked Note Condition 1 (*Definitions*) or Fund (if any) or (ii) bondholders of the relevant obligor.

## **5. ILLEGALITY AND FORCE MAJEURE**

If the relevant Issuer determines that the performance of its obligations under the Notes or that any arrangements made to hedge the relevant Issuer's obligations under the Notes have become (i) illegal in whole or in part for any reason, or (ii) by reason of a *force majeure* event (such as an act of God, fire, flood, severe weather conditions, or a labour dispute or shortage) or an act of state occurring after the Issue Date, impossible or impracticable, then the relevant Issuer may early redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*).

Should any one or more of the provisions or part of any provision contained in these Conditions be or become invalid, the validity of the remaining provisions or part of such provision shall not in any way be affected thereby.

If the relevant Issuer early redeems the Notes pursuant to an illegality then the relevant Issuer will, if and to the extent permitted by applicable law, pay an amount to each Noteholder in respect of each Note held by such holder, which amount shall be equal to the fair market value of a Note, notwithstanding such illegality less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*).

If the relevant Issuer early redeems the Notes by reason of a *force majeure* event or an act of state, then the relevant Issuer will, if and to the extent permitted by applicable law, pay an amount to each Noteholder in respect of each Note held by such holder, which amount shall be equal to the fair market value of a Note, taking into account the applicable *force majeure* event or act of state, as the case may be, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payment will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*).

## **6. PURCHASES AND CANCELLATION**

### *6.1 Purchases and cancellation*

The Issuer may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private treaty. Any Notes so purchased may be held or resold or surrendered for cancellation, provided that and, in the case of a purchase or cancellation of Notes that are CREST Dematerialised Notes, such notes must be transferred to the Euroclear Registrar for cancellation.

## 6.2 *Specific Buy Back Provisions*

If Specific Buy Back Provisions are specified as applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer not less than 5 Business Days' notice in accordance with Base Condition 16 (*Notices*) (which notice shall be irrevocable) to early redeem the Note before its scheduled maturity, the Issuer may, at its sole option, upon the expiry of such notice, redeem in whole or in part such Note paying an amount that can be less than par and that is linked to the Market Value of the Underlying Transactions at that moment, together, if appropriate, with any accrued but unpaid interest. As specified above, the Issuer has the right, in its sole option, to reject the early redemption request and, in particular, if the Issuer never replies to the notice, the Issuer is deemed to have rejected the early redemption request.

If the Specific Buy Back Provisions are specified as being applicable to the Notes in the relevant Final Terms, prior to the Maturity Date the value of the Notes shall reflect and shall be calculated on the basis of the Market Value of the Underlying Transactions. Each of the Issuers may, from time to time, calculate the price of the Notes on the basis of the Market Value of such Underlying Transactions and, without prejudice to its obligation to pay any amounts due and to perform any non-cash delivery obligations relating to the Notes, in the event that an investor requests the relevant Issuer to repurchase the Notes held by it prior to their maturity, and that Issuer accepts such repurchase, the price of the Notes ("**Buy Back Price**") will be determined taking into consideration the Market Value of such Underlying Transactions.

The Specific Buy Back Provisions shall apply only to (i) Notes issued by Mediobanca and/or Mediobanca International and/or MBFL and where Mediobanca and/or Mediobanca International act as Dealers, and (ii) where the Nominal Amount of the Notes is equal to at least Euro 100,000 or its equivalent amount in the Specified Currency.

In addition, if the Specific Buy Back Provisions is specified as being applicable to the Notes in the relevant Final Terms, the Issuer shall pay an additional Interest (the "**Extra-Yield**") on the Notes. More information on the composition of such Interest (*unbundling*) may be published by each of the Issuers from time to time together with the composition of the Underlying Transactions as described below.

For the purpose of this Base Condition 6.2:

**"Buy-Back Price"** means the repurchase price of the Notes to be calculated by Mediobanca and/or Mediobanca International, acting in their capacity as Calculation Agent with respect to the Notes, on the basis of the Market Value of the Underlying Transactions.

**"Market Value"** means the close-out amount of the Underlying Transactions, including the relevant bid/ask prices for all the Notes and for any possible funding arrangement and/or coupon swap, as determined by Mediobanca and/or Mediobanca International, acting in their capacity as Calculation Agent with respect to the Notes, in a fair and commercially reasonable manner.

**"Underlying Transactions"** means any possible funding arrangement and/or coupon swap and/or any of the following funded or unfunded arbitrage-like financial transactions: (i) Cash-CDS Arbitrage, (ii) Index-Components Arbitrage, and/or (iii) General Funded Arbitrage, where:

**"Cash-CDS Arbitrage"** means:

Long (Short): Cash Instrument + Short (Long): Replicating CDS

where:

**"Cash Instrument"** means any debt obligation (including any obligation issued by Mediobanca or Mediobanca International) or basket of debt obligations, under security or loan format, with maturities and notionals potentially longer and/or higher, respectively, than the Maturity Date and Nominal Amount of the relevant Notes;

**"Replicating CDS"** means a credit default swap transaction having similar maturity and principal amount of the Cash Instrument, and having as a reference entity the Cash Instrument Issuer and the Cash Instrument Guarantor (including the Issuer or the Guarantor or the Issuer's parent or the Issuer's affiliate), or, in the case of Cash Instruments that are asset backed obligations or credit linked obligations, any credit entity or any credit risk embedded in such Cash Instrument.

**"Index-Components Arbitrage"** means:

Long (Short): Credit Index + Short (Long): CDS Components

where:

**"Credit Index"** means any of the Markit credit default swaps indices, with maturities and notionals potentially longer and/or higher, respectively, than the Maturity Date and Nominal Amount of the relevant Notes, and any successor and/or replacement index thereof, including, for the avoidance of doubt, the Markit iTraxx® and Markit CDX™ indices, as selected by Mediobanca and/or Mediobanca International, acting in their capacity as Calculation Agent with respect to the Notes and in their sole and absolute discretion. Credit Index may also be a portfolio of credit default swap tranches summing up to a full capital structure, *i.e.* summing up to any Markit credit default swap index.

**"CDS Components"** means a basket of single-name credit default swap transactions having similar notional, maturity, coupons and reference entity as the components of the Credit Index. CDS Components may also be a portfolio of credit default swap tranches having similar maturity, aggregate notional, aggregate coupons and aggregate reference entities as the components of the Credit Index.

**"General Funded Arbitrage"** means:

Long (Short): Asset Instruments + Short (Long): Replicating Derivatives

where:

**"Asset Instruments"** means any instrument (including funds or obligations, also asset-backed) linked to a credit, rates, equities, commodities or currencies), with maturities and notionals potentially longer and/or higher, respectively, than the Maturity Date and Nominal Amount of the relevant Notes.

“**Replicating Derivatives**” means any derivative contract with similar maturity and notional as the Asset Instruments, and having as underlying the Asset Instrument itself or any of its underlying financial instruments. For example: commodity certificate + future (“**cash and carry arbitrage**”), or convertible bond + CDS + equity option (“**convertible arbitrage**”)

The Underlying Transactions will be selected from time to time by Mediobanca and/or Mediobanca International acting in their capacity as Calculation Agent with respect to the Notes and in their reasonable discretion and the relevant composition is subject to change during the life of the Notes. The composition of the Underlying Transaction (including any possible funding arrangement and/or coupon swap) shall be published from time to time by Mediobanca or Mediobanca International on their website [www.mediobanca.com](http://www.mediobanca.com) or [www.mediobancainst.lu](http://www.mediobancainst.lu), as the case may be, or on the website of Euronext Dublin or on the website of the Luxembourg Stock Exchange or on any other means of publication, as specified in the relevant Final Terms.

## 7. INTEREST

If so specified in the applicable Final Terms the Notes will pay interest amounts. Such interest amounts (i) will be calculated on the basis of a fixed rate, or will be a Fixed Interest Amount or Broken Amount, if so specified in the Final Terms for that Interest Period (the "**Fixed Rate Notes**") and/or (ii) will be calculated on the basis of a floating rate (the "**Floating Rate Notes**") and/or (iii) will be calculated by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Future, Underlying Interest Rate or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Notes, the "**Structured Rate Notes**"):

(a) *Fixed Rate Notes*

Each Fixed Interest Rate Note will pay Interest Amount(s) on the basis of the following:

- (i) if the Fixed Interest Amount or Broken Amount are specified in the Final Terms for an Interest Period, the Interest Amount payable on the relevant Interest Payment Date shall be the Fixed Interest Amount or Broken Amount so specified; or
- (ii) if the Fixed Interest Amount or Broken Amount are not specified in the Final Terms, for an Interest Period, the Interest Amount(s) (as defined below) will be paid in respect of each relevant Interest Period. The Interest Amount will be payable in arrear on the Interest Payment Date(s) indicated in the applicable Final Terms. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Payment Date and any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:
  - (A) the Following Business Day Convention, such Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
  - (B) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next

calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day;

- (C) the Preceding Business Day Convention, such Interest Payment Date, shall be brought forward to the immediately preceding Business Day; or
- (D) the Modified Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day unless it would thereby fall into the previous calendar month, in which event such Interest Payment Date shall be brought forward to the immediately following Business Day.

(b) *Floating Rate Notes*

(i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Note will pay Interest Amount(s) in respect of each relevant Interest Period.

Interest Amount(s) will be payable in arrear on the Interest Payment Date(s) indicated in the applicable Final Terms.

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Payment Date(s) and any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after scheduled final Interest Payment Date.

(ii) Linear Interpolation

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

"**Designated Maturity**" means in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(iii) Interest Rate

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

(iv) Determination of Interest Rate

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

(c) *Structured Rate Note*

(i) Interest, Interest Periods and Business Day Convention

The Interest Amount(s) will be paid in respect of each relevant Interest Period.

The Interest Amount(s) will be payable in arrear on the Interest Payment Date(s).

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Payment Date and any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or



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

(ii) Interest Rate

The Interest Rate payable from time to time will be determined in the manner specified in the applicable Final Terms and may comprise one or more Additional Coupons determined in the manner specified in the applicable Final Terms.

(iii) Determination of Interest Rate

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

(d) *Screen Rate Determination and ISDA Determination*

(i) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which an Interest Rate is to be determined, such Interest Rate for each Interest Period will be:

- (A) if "Rate Multiplier" is specified in the relevant Final Terms as not being applicable, the sum of the Margin and the relevant ISDA Rate;
- (B) if "Rate Multiplier" is specified in the relevant Final Terms as being applicable (i) the sum of the Margin and the relevant ISDA Rate multiplied by (ii) the Rate Multiplier;
- (C) if "Reference Rate Multiplier" is specified in the relevant Final Terms as being applicable, the sum of (i) Margin, and (ii) the relevant ISDA Rate multiplied by the Reference Rate Multiplier,

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where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate that would be calculated by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the relevant Final Terms;
- (2) except in the case of Overnight Floating Rate Options, the Designated Maturity is a period specified in the relevant Final Terms;
- (3) the relevant Reset Date is the date specified in the relevant Final Terms;
- (4) if an Overnight Floating Rate Option and an Overnight Rate Compounding Method is specified as applicable in the relevant Final Terms:
  - (i) OIS Compounding is applicable if specified in the relevant Final Terms;
  - (ii) compounding with Lookback is applicable if specified in the relevant Final Terms, and if so, Lookback is the number of Applicable Business Days specified in the relevant Final Terms;
  - (iii) compounding with Observation Period Shift is applicable if specified in the relevant Final Terms, and if so, (x) Set-in-Advance is applicable if specified in the relevant Final Terms, (y) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms or, if not so specified in the relevant Final Terms, in the ISDA Definitions, and (z) Observation Period Shift Additional Business Days are the days, if any, specified in the relevant Final Terms;
  - (iv) compounding with Lockout is applicable if specified in the relevant Final Terms, and if so, (x) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms or, if not so specified in the relevant Final Terms, in the ISDA Definitions and (y) Lockout Period Business Days are the days specified as such in the relevant Final Terms or, if not so specified in the relevant Final Terms, in the ISDA Definitions;
  - (v) in each case Daily Capped Rate and/or Daily Floored Rate will be the rate (if applicable) as specified in the relevant Final Terms; or
- (5) if an Overnight Floating Rate Option and an Overnight Rate Averaging Method is specified as applicable in the relevant Final Terms:
  - (i) Overnight Averaging is applicable if specified in the relevant Final Terms;
  - (ii) Averaging with Lookback is applicable if specified in the relevant Final Terms and, if so, Lookback is the number of Applicable Business Days specified in

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the relevant Final Terms or, if not so specified in the relevant Final Terms, in the ISDA Definitions;

- (iii) Averaging with Observation Period Shift is applicable if specified in the relevant Final Terms and, if so, (x) Set-in-Advance is applicable if specified as such in the relevant Final Terms, (y) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms or, if not so specified in the relevant Final Terms, in the ISDA Definitions, and (z) Observation Period Shift Additional Business Days are the days, if any, specified as such in the relevant Final Terms; or
  - (iv) Averaging with Lockout is applicable if specified in the relevant Final Terms and, if so, (x) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms or, if not so specified in the relevant Final Terms, in the ISDA Definitions, and (y) Lockout Period Business Days are the days specified as such in the relevant Final Terms or, if not so specified in the relevant Final Terms, in the ISDA Definitions ;
  - (v) In each case Daily Capped Rate and/or Daily Floored Rate will be the rate (if applicable) as specified in the relevant Final Terms;
- (6) If an Index Floating Rate Option and an Index Method is specified as applicable in the relevant Final Terms:
- (i) Compounded Index Method is applicable if specified in the relevant Final Terms; and
  - (ii) All-in Compounded Index Method is applicable if specified in the relevant Final Terms; and
  - (iii) Compounded Index Method with Observation Period Shift is applicable if specified in the relevant Final Terms and, if so, (x) Set-in-Advance is applicable if specified as such in the relevant Final Terms, (y) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms or, if not so specified in the relevant Final Terms, in the ISDA Definitions and (z) Observation Period Shift Additional Business Days are the days, if any, specified as such in the relevant Final Terms;
- (7) in connection with the Index Method, references in the ISDA Definitions to: (A) numbers, financial centres or other items specified in the Confirmation shall be deemed to be references to the numbers, financial centres or other items specified for such purpose in the relevant Final Terms; (B) “Business Day in the financial centres, if any, specified for such purpose in the Confirmation” shall be deemed to be references to Business Day; (C) “Calculation Period” shall be deemed to be references

to the relevant Interest Period; (D) “Floating Rate Day Count Fraction” shall be deemed to be references to Day Count Fraction; (E) “Period End Date” shall be deemed to be references to the relevant Interest Payment Date; (F) “Termination Date” shall be deemed to be references to the final Interest Payment Date; and (G) “Effective Date” shall be deemed to be references to, and the Interest Commencement Date;

- (8) Delayed Payment is applicable if specified in the relevant Final Terms and the relevant delay is the number of Business Days specified in respect of Delayed Payment in the relevant Final Terms;
- (9) Section 8.3 (*Linear Interpolation*) of the ISDA Definitions is deemed to be deleted unless “ISDA Definitions Linear Interpolation” is specified as applicable in the relevant Final Terms; and
- (10) Section 4.14 (*Calculation Agent*) shall not apply.

For the purposes of this Base Condition 7(d), “**Floating Rate**”, “**Calculation Agent**”, “**Swap Transaction**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**”, “**Overnight Floating Rate Option**”, “**Overnight Compounding Method**”, “**Compounding with Lookback**”, “**Lookback**”, “**Applicable Business Days**”, “**Compounding with Observation Period Shift**”, “**Set-in-Advance**”, “**Observation Period Shift**”, “**Observation Period Shift Business Days**”, “**Observation Period Shift Additional Business Days**”, “**Compounding with Lockout**”, “**Lockout**”, “**Lockout Period Business Days**”, “**Daily Capped Rate**”, “**Daily Floored Rate**”, “**Averaging with Lookback**”, “**Averaging with Observation Period Shift**”, “**Averaging with Lockout**”, “**Index Method**”, “**Index Floating Rate Option**”, “**Compounded Index Method**”, “**All-in Compounded Index Method**” “**Compounded Index Method with Observation Shift**”, and “**Delayed Payment**” have the meanings given to those terms in the ISDA Definitions.

- (ii) Screen Rate Determination for Reference Rates other than SONIA, SOFR, €STR or SARON

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which an Interest Rate or Rate is to be determined, such Interest Rate or Rate, as the case may be, for each Interest Period will, subject to Base Condition 7(m) (*Benchmark Rate Replacement*), and subject as provided below, be either:

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

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Determination Time indicated in the applicable Final Terms (which will be 11.00 a.m., Brussels time, in the case of EURIBOR) on

the relevant Interest Determination Date plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subparagraph (ii)(a), no offered quotation appears on the Relevant Screen Page or, in the case of subparagraph (ii)(b), fewer than three offered quotations appear on the Relevant Screen Page, in each case as at the Relevant Determination Time, the Issuer shall request (in the case of a determination of EURIBOR) the principal Euro-zone office of each of four major banks in the Eurozone inter-bank market, in each case selected by the Issuer or as specified in the applicable Final Terms, to provide the Calculation Agent with its offered quotation (expressed as a percentage per annum) for the Reference Rate at approximately the Relevant Determination Time on the relevant Interest Determination Date

For the purpose of this Base Condition 7(d)(ii), "**Interest Determination Date**", "**Margin**", "**Reference Rate**", "**Relevant Screen Page**" and "**Relevant Determination Time**" shall have the same meanings given to those in the applicable Final Terms.

(iii) Screen Rate Determination for Reference Rate being SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined and SONIA is specified as the Reference Rate in the applicable Final Terms, the Interest Rate or Rate for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

For the purposes of this Base Condition 7(d)(iii):

"**Compounded Daily SONIA**", with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{t=1}^{d_o} \left( 1 + \frac{SONIA_{t-pLBD} \times n_t}{365} \right) - 1 \right] \times \frac{365}{d}$$

"**d**" means the number of calendar days in:

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- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d<sub>o</sub>**” means the number of London Banking Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**i**” means a series of whole numbers from one to “**d<sub>o</sub>**”, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n<sub>i</sub>**” for any London Banking Day “**i**”, in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day “**i**” up to, but excluding, the following London Banking Day;

“**Observation Period**” means, in respect of an Interest Period, the period from, and including, the date falling “p” London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

“p” for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Final Terms;

“**SONIA Reference Rate**” means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

“**SONIAi**” means the SONIA Reference Rate for:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the London Banking Day falling “p” London Banking Days prior to the relevant London Banking Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms; the relevant London Banking Day “i”;

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to subject to Base Condition 7(m) (*Benchmark Rate Replacement*), be:

- (A) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was

published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Subject to Base Condition 7(m) (*Benchmark Rate Replacement*), if the Interest Rate or Rate cannot be determined in accordance with the foregoing provisions of this Base Condition 7(d)(iii), the Interest Rate or Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(iv) Screen Rate Determination for Reference Rate being SOFR

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Interest Rate or Rate is to be determined and SOFR is specified as the Reference Rate in the applicable Final Terms, the Interest Rate or Rate for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

For the purposes of this Base Condition 7(d)(iv):

“**Benchmark**” means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Base Condition 7(d)(iv).

*Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.*

*If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions below will apply.*

“**Business Day**” means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Business Day Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;



“**Compounded SOFR**” with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

“**d**” is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d<sub>o</sub>**” is the number of U.S. Government Securities Business Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

“**i**” is a series of whole numbers from one to “**d<sub>o</sub>**”, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period,

to and including the last US Government Securities Business Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling “**p**” U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “**p**” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Securities are due and payable);

“**n<sub>i</sub>**” for any U.S. Government Securities Business Day “**i**” in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S.

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Government Securities Business Day “i” to, but excluding, the following U.S. Government Securities Business Day (“i+1”);

“**Observation Period**” in respect of an Interest Period means the period from, and including, the date falling “p” U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling “p” U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling “p” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Securities become due and payable);

“**p**” for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Final Terms;

“**SOFR**” with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator’s Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the “**SOFR Determination Time**”); or
- (ii) subject to the provisions below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator’s Website;

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, or any successor source;

“**SOFRi**” means the SOFR for:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling “p” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant U.S. Government Securities Business Day “i”; and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

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If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Issuer shall use the fallback provisions formally recommended by the Relevant Governmental Body with reference to the Benchmark. If such recommendation is not available, the following provisions should apply.

The Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

“**Benchmark**” means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then “**Benchmark**” shall mean the applicable Benchmark Replacement.

“**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment;  
or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-

denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the issuer or its designee as of the Benchmark Replacement Date:

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

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

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

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

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

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“**Reference Time**” with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

“**Relevant Governmental Body**” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

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Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Base Condition 7(d)(iv) will be notified promptly by the Issuer to the Fiscal Agent or the Euroclear Registrar (in the case of CREST Dematerialised Notes), the Calculation Agent, the Paying Agents and, in accordance with Base Condition 16 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), of the same, the Issuer shall deliver to the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Base Condition 7(d)(iv); and
- (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

If the Interest Rate or Rate cannot be determined in accordance with the foregoing provisions of this Base Condition 7(d)(iv), the Interest Rate or Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

- (v) Screen Rate Determination for Reference Rate being €STR

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Interest Rate or Rate is to be determined and €STR is specified as the Reference Rate in the applicable Final Terms, the Interest Rate or Rate for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

For the purposes of this Base Condition 7(d)(v):

**“Compounded Daily €STR”** means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the

calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

“**d**” means the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**D**” means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

“**d<sub>o</sub>**” means the number of TARGET Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

the “**€STR reference rate**”, in respect of any TARGET Day, is a reference rate equal to the daily euro short-term rate (“**€STR**”) for such TARGET Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Day immediately following such TARGET Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

“**€STR<sub>i</sub>**” means the €STR reference rate for:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the TARGET Day falling “p” TARGET Days prior to the relevant TARGET Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant TARGET Day “i”.

“*i*” is a series of whole numbers from one to “*d<sub>o</sub>*”, each representing the relevant TARGET Day in chronological order from, and including, the first TARGET Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last TARGET Day in such period;

“*n<sub>i</sub>*” for any TARGET Day “*i*” in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Day “*i*” up to (but excluding) the following TARGET Day;

“**Observation Period**” means, in respect of any Interest Period, the period from (and including) the date falling “*p*” TARGET Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling “*p*” TARGET Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable; and

“*p*” for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Final Terms.

Subject to Base Condition 7(m) (*Benchmark Rate Replacement*), if, where any Interest Rate or Rate is to be calculated pursuant to this Base Condition 7(d)(v), in respect of any TARGET Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Day shall be the €STR reference rate for the first preceding TARGET Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.

Subject to Base Condition 7(m) (*Benchmark Rate Replacement*), if the Interest Rate or Rate cannot be determined in accordance with the foregoing provisions of this Base Condition 7(d)(iv), the Interest Rate or Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled



first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

- (vi) Screen Rate Determination for Reference Rate being SARON

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined and SARON is specified as the Reference Rate in the applicable Final Terms, the Interest Rate or Rate for each Interest Period will, subject as provided below, be Compounded Daily SARON plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

For the purposes of this Base Condition 7(d)(vi):

“**Compounded Daily SARON**”, with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SARON_{i-\text{pSIXBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

“**d**” means the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d<sub>0</sub>**” means the number of SIX Business Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**i**” means a series of whole numbers from one to “**d<sub>0</sub>**”, each representing the relevant SIX Business Day in chronological order from, and including, the first SIX Business Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

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- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;
- (iii) to, and including, the last SIX Business Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling p SIX Business Day prior to the Interest Payment Date for such Interest Period (or the date falling p SIX Business Day prior to such earlier date, if any, on which the Notes are due and payable).

“**SIX Business Day**” or “**SIXBD**” means a day (other than a Saturday or Sunday) which is not marked as currency holiday for CHF in the Trading & Currency Holiday Calendar published by SIX Swiss Exchange;

“**n<sub>i</sub>**” for any SIX Business Day “i”, in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such SIX Business Day “i” up to, but excluding, the following SIX Business Day;

“**Observation Period**” means, in respect of an Interest Period, the period from, and including, the date falling “p” SIX Business Day prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is p SIX Business Day prior to the Interest Payment Date for such Interest Period (or the date falling p SIX Business Day prior to such earlier date, if any, on which the Notes become due and payable);

“**p**” for any Interest Period or Observation Period (as applicable), means the number of SIX Business Day specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Final Terms;

“**SARON Reference Rate**” means, in respect of any SIX Business Day, a reference rate equal to the daily Swiss Average Rate Overnight (“**SARON**”) rate for such SIX Business Day as provided by the administrator of SARON to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the SIX Business Day immediately following such SIX Business Day; and

“**SARON<sub>i</sub>**” means the SARON Reference Rate for:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the SIX Business Day falling “p” SIX Business Days prior to the relevant SIX Business Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms; the relevant SIX Business Day “i”;

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SARON only compounds the SARON Reference Rate in respect of any SIX Business Day. The SARON Reference*

*Rate applied to a day that is a non- SIX Business Day will be taken by applying the SARON Reference Rate for the previous SIX Business Day but without compounding.*

If, in respect of any SIX Business Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Agent determines that the SARON Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SARON Reference Rate shall, subject to subject to Base Condition 7(m) (*Benchmark Rate Replacement*), be the SARON Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding SIX Business Day on which the SARON Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Subject to Base Condition 7(m) (*Benchmark Rate Replacement*), if the Interest Rate or Rate cannot be determined in accordance with the foregoing provisions of this Base Condition 7(d)(vi), the Interest Rate or Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(vii) Screen Rate Determination for Reference Rate being CMS Rate

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which an Interest Rate or Rate is to be determined, and CMS is specified as the Reference Rate in the applicable Final Terms, such Interest Rate or Rate, for each Interest Period will, subject to Base Condition 7(m) (*Benchmark Rate Replacement*) below and subject as provided below, be the CMS Rate multiplied by the relevant Rate Multiplier, if any, plus or minus (as indicated in the applicable Final Terms) the relevant Margin (if any), all as determined by the Calculation Agent and provided that the Interest Rate or Rate may not be less than zero.

If the Relevant Screen Page is not available, the Issuer shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Relevant Determination Time on the Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Calculation Agent with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate

shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

For the purpose of this Base Condition 7(d)(vii):

"**CMS Rate**" shall mean the applicable swap rate for swap transactions in the Relevant Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Relevant Determination Time on the Interest Determination Date in question, all as determined by the Calculation Agent.

"**CMS Reference Banks**" means (i) where the Relevant Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Relevant Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Relevant Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Relevant Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent.

"**Designated Maturity**", "**Interest Determination Date(s)**", "**Margin**", "**Rate Multiplier**", "**Relevant Currency**", "**Relevant Screen Page**" and "**Relevant Determination Time**" shall have the meanings given to those terms in the applicable Final Terms.

"**Relevant Swap Rate**" means:

- (1) where the Relevant Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions; and
- (2) where the Relevant Currency is any other currency or if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

"**Representative Amount**" means any amount that is representative for a single transaction in the relevant market at the relevant time.

- (e) *Minimum and/or Maximum Interest Rate*

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of Base Condition 7(b)(ii), Base Condition 7(b)(iii), Base Condition 7(c)(ii) or Base Condition 7(d) (as appropriate) is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.

If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of Base Condition 7(b)(ii), Base Condition 7(b)(iii), Base Condition 7(c)(ii) or Base Condition 7(d) (as appropriate) is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.

(f) *Notification of Interest Rate and Interest Amount*

After the Relevant Determination Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Interest, obtain any quote or make any determination or calculation, it will, promptly, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), the relevant Issuer, the Paying Agent, the holders of the Notes, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange promptly after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of each Interest Rate, Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(g) *Calculation Agent*

Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amount or any other requirements, the relevant Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(h) *Interest in case of early redemption*

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- (i) The Interest Amount on each Note will be paid on any Interest Payment Date indicated in the applicable Final Terms unless such Note is early redeemed or an Interest Barrier Event, indicated as applicable in the relevant Final Terms, has occurred;
- (ii) In case a Note is early redeemed during an Interest Period (and no Interest Barrier Event has previously occurred), (i) if the applicable Final Terms specify that Interest to Redemption is applicable, the relevant Interest Amount relating to such Interest Period will be determined by the Calculation Agent for each such Note as if the Interest Period ended on, and included, the due date of early redemption, as specified in the relevant Final Terms, or (ii) if the applicable Final Terms specify that Interest to Redemption is not applicable, no Interest Amount will be payable in respect of such Interest Period;
- (iii) In case an Interest Barrier Event has occurred prior to an early redemption or cancellation, the Base Condition 7(j) below will apply;

Unless, (and subject to an Interest Barrier Event, if applicable, not having occurred) payment of the amount and/or delivery of any Entitlement due is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case additional interests shall be considered as if accrued from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered, as the case may be. For the avoidance of doubt, no interests on the Notes shall accrue beyond the Maturity Date in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event.

(i) *Rounding*

For the purposes of any calculations required pursuant to this Base Condition 7 (unless otherwise specified), (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures will be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes "**unit**" means, with respect to any currency other than Euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

(j) *Interest Barrier Events*

- (i) In the event that the relevant Final Terms specify that the Interest Barrier Event is applicable and an Interest Barrier Event has occurred, then:
  - (a) if "No Further Interest" is specified in the applicable Final Terms as applicable, notwithstanding any other provisions to the contrary in this Base Condition 7, on the immediately following Interest Payment Date, the Interest Amount payable will be the amount calculated in accordance with the definition of Interest Amount below, provided that for the purposes of the definition of "Day Count Fraction", the Interest Period will be deemed

to have ended on, and included, the date on which the Interest Barrier Event occurred; or

- (b) if "No Further Interest" is specified in the applicable Final Terms as not applicable, on the immediately following Interest Payment Date, the Interest Amount payable will be the amount calculated in accordance with the definition of Interest Amount below.

In each case, thereafter, there will be no further Interest Payment Dates and no further Interest Amounts payable with respect to the Notes.

- (ii) In the event that the relevant Final Terms specify that the Interest Barrier Event is applicable and "No Interest for Interest Period" is applicable and an Interest Barrier Event occurs, no Interest Amount will be payable on the next following Interest Payment Date.

(k) *Interest Payment Condition*

In the event that the relevant Final Terms specify that the Interest Payment Condition is applicable, then the Interest Amount shall only be payable on the relevant Interest Payment Dates upon the occurrence of the Interest Payment Condition.

(l) *Coupon Switch*

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

- (i) if Coupon Switch Election is specified as applicable in the applicable Final Terms, the Issuer may elect that the Interest Rate, in respect of the Notes will be amended (a "**Coupon Switch**") from the Pre-Switch Coupon specified in the applicable Final Terms to the Post-Switch Coupon specified in the applicable Final Terms on and after the Coupon Switch Date; or
- (ii) if Automatic Coupon Switch is specified as applicable in the applicable Final Terms and an Automatic Coupon Switch Event occurs, the Interest Rate, in respect of the Notes will be amended (a "**Coupon Switch**") from the Pre-Switch Coupon specified in the applicable Final Terms to the Post-Switch Coupon specified in the applicable Final Terms on and after the Coupon Switch Date immediately following the MFP ACS Valuation Date or MFP ACS Valuation Period, as applicable, on which the Automatic Coupon Switch Event occurs.

If Additional Switch Coupon is specified as applicable in the applicable Final Terms, following the occurrence of a Coupon Switch, an Additional Switch Coupon Amount will be payable on the Additional Switch Coupon Payment Date. The "**Additional Switch Coupon Amount**" in respect of each Notes will be the amount specified as such in the applicable Final Terms. For the avoidance of doubt, the Additional Switch Coupon Amount will only be paid on the single Additional Switch Coupon Payment Date.

Notice of any Coupon Switch will be given to Noteholders in accordance with Base Condition 16 (*Notices*).

"**Additional Switch Coupon Payment Date**" means the date specified as such in the applicable Final Terms, which such date must be an Interest Payment Date;

"**Automatic Coupon Switch Event**" means that:

- (i) the MFP ACS Value is (a) "greater than", (b) "equal to or greater than", (c) "less than" (d) "less than or equal to", the Automatic Coupon Switch Level or (e) "within" the Automatic Coupon Switch Range Level, or (f) "outside" the Automatic Coupon Switch Range Level, in each case as specified in the applicable Final Terms, (x) on a MFP ACS Valuation Date or (y) in respect of a MFP ACS Valuation Period, as specified in the applicable Final Terms;
- (ii) if MFP Digital Coupon or MFP Memory Snowball Digital Coupon is specified in the applicable Final Terms and Target Switch Coupon is specified as applicable in the applicable Final Terms, the number of times the Digital Coupon Condition or the MFP Memory Snowball Digital Coupon Condition, as the case may be, has been satisfied is equal to or greater than the Automatic Coupon Switch Level as of a MFP ACS Valuation Date; or
- (iii) if MFP Digital Coupon or MFP Memory Snowball Digital Coupon is not specified in the applicable Final Terms and Target Switch Coupon is specified as applicable in the applicable Final Terms, the Cumulative ACS Coupon is equal to or greater than the Automatic Coupon Switch Level as of a MFP ACS Valuation Date.

"**Automatic Coupon Switch Level**" means the number, amount, level or percentage specified as such in the applicable Final Terms;

"**Automatic Coupon Switch Range Level**" means the range of levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"**Coupon Switch Date**" means each date specified as such or determined pursuant to the provisions in the applicable Final Terms;

"**Cumulative ACS Coupon**" means, in respect of a MFP ACS Valuation Date, (a) the sum of the values calculated for each Interest Period preceding the Current ACS Interest Period as the product of (i) the Interest Rate and (ii) if specified in the applicable Final Terms, the Day Count Fraction, in each case for such Interest Period, plus (b) the product of (i) the Interest Rate and (ii) if specified in the applicable Final Terms, the Day Count Fraction, in each case for the Current ACS Interest Period;

"**Current ACS Interest Period**" means, in respect of a MFP ACS Valuation Date, the Interest Period during which such MFP ACS Valuation Date falls;

"**MFP ACS Value**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;



"**MFP ACS Valuation Date**" means each Averaging Date, Pricing Date, Calculation Date, Underlying Interest Determination Date, Settlement Price Date and/or each day, all specified as such in the applicable Final Terms; and

"**MFP ACS Valuation Period**" means each period specific as such in the applicable Final Terms.

(m) *Benchmark Rate Replacement*

Other than in the case of a U.S. dollar-denominated Note referencing for which the Reference Rate is specified in the relevant Final Terms as being SOFR, notwithstanding the provisions in this Base Condition 7, if the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate and the Interest Amount(s)) that (i) determines a Benchmark Rate Event has occurred and (ii) the relevant Benchmark Event Effective Date will fall on or prior to the day which would have been (but for the occurrence of the Benchmark Rate Event Effective Date) an Interest Determination Date in respect of the relevant Reference Rate, then the following provisions shall apply:

- (1) in respect of each Interest Period commencing on or after the Benchmark Rate Event Effective Date, the Reference Rate will be substituted by the Successor Rate (as adjusted in accordance with the Adjustment Spread, if any) for determining the Interest Rate and the Interest Amount(s) due in respect of each such Interest Period;
- (2) the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate and the Interest Amount(s)) will determine the adjustments (if any) to be made to the provisions of the Notes as it deems necessary in order the Successor Rate to be used for determining the Interest Rate and the Interest Amount(s) due under the Notes;
- (3) the Issuer shall promptly and, in any case prior to the Benchmark Rate Event Effective Date, give notice to the Noteholders of the relevant Benchmark Rate Event, the Successor Rate and the adjustments (if any) made according to the sub-paragraph (2) above, in accordance with Base Condition 16 (*Notices*); and
- (4) if the relevant Benchmark Rate Event may also constitute an Administrator/Benchmark Event in the determination of the Calculation Agent pursuant to Base Condition 13.1, the provisions of this Base Condition 7(m) will apply.

For the purposes of this Base Condition 7(m):

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate and the Interest Amount(s))), determines is required to be applied to the Successor Rate in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to

Noteholders as a result of the replacement of the Reference Rate with the Successor Rate and is the spread, formula or methodology which:

- (i) is formally recommended by any Relevant Nominating Body in relation to the replacement of the Reference Rate with the Successor Rate; or
- (ii) in absence of any recommendation by any Relevant Nominating Body, the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate and the Interest Amount(s)) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions in relation to the replacement of the Reference Rate with the Successor Rate; or
- (iii) if no such customary market usage is recognised or acknowledged, the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate and the Interest Amount(s)) determines (acting in good faith and in a commercially reasonable manner) to be appropriate for the replacement of the Reference Rate with the Successor Rate.

**"Benchmark Rate Event"** means that in respect of a Reference Rate:

- (i) the administrator of that Reference Rate, or a person acting on behalf of that administrator, has issued a public statement, or has published information, in which it is announced that that administrator has ceased or will cease to provide that Reference Rate or certain tenors for which that Reference Rate is calculated and which correspond to the Interest Periods, permanently or indefinitely, *provided that*, at the time of the issuance of the statement or the publication of the information, there is no successor administrator that will continue to provide that Reference Rate or that tenor; or
- (ii) the competent authority for the administrator of that Reference Rate or any entity with insolvency or resolution authority over such administrator has issued a public statement, or has published information, in which it is stated that the administrator has ceased or will cease to provide that Reference Rate or certain tenors for which that Reference Rate is calculated and which correspond to the Interest Periods, permanently or indefinitely, *provided that*, at the time of the issuance of the statement or the publication of the information, there is no successor administrator that will continue to provide that Reference Rate or that tenor; or
- (iii) the competent authority for the administrator of that Reference Rate has issued a public statement, or has published information, in which it is announced that that Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that Reference Rate is intended to measure and that representativeness will not be restored; or
- (iv) it has or will become unlawful (including, without limitation, under Regulation (EU) 2016/1011, if applicable) for the Calculation Agent or the Issuer to calculate any payments due to be made to any

Noteholder using that Reference Rate.

**“Benchmark Rate Event Effective Date”** means, in respect of a Benchmark Event:

- (i) the first day on which the Reference Rate or the relevant tenor is no longer published or provided, if the Benchmark Rate Event occurred consists in one of the events or circumstances described in sub-paragraph (i) or (ii) of the definition of “Benchmark Rate Event”; or
- (ii) the first day on which the Reference Rate is no longer representative of the underlying market and economic reality that Reference Rate is intended to measure (even if the Reference Rate continues to be published or provided), if the Benchmark Rate Event occurred consists in the issuance or publication of the statement or information under sub-paragraph (iii) of the definition of “Benchmark Rate Event”; or
- (iii) the first day on which in no longer lawful for the Issuer or the Calculation Agent to use the Reference Rate, if the Benchmark Rate Event occurred consists in the event under sub-paragraph (iv) of the definition of “Benchmark Rate Event”.

**"Relevant Nominating Body"** means, in respect of a Reference Rate:

- (i) the central bank for the currency to which the reference rate or mid swap floating leg benchmark rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

**"Successor Rate"** means, in respect of a Reference Rate in relation to which a Benchmark Rate Event has occurred, the rate formally designated, nominated or recommended as the replacement rate for that Reference Rate by the administrator of such Reference Rate or any Relevant Nominating Body in the most recent statement or publication preceding the relevant Benchmark Rate Event Effective Date, *provided that*, in presence of two or more rates each of which has been formally designated, nominated or recommended by the administrator of such Reference Rate or any Relevant Nominating Body as a replacement rate for that Reference Rate, the Replacement Rate will be one of such rates as selected by the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Interest Rate and the Interest Amount(s)). Without limiting the generality of the foregoing, in case of occurrence of a Benchmark Rate Event in respect of “EURIBOR”, according to the recommendations published on 11 May 2021 by the Working Group on euro risk free rates on EURIBOR fallback trigger events and €STR-based EURIBOR fallback rates (the “**2021 WG Recommendations**”), the Replacement Rate for such rate will be (*provided that* the 2021 WG Recommendations are not

superseded or replaced by any subsequent statement or publication by the administrator of the relevant Reference Rate of any Nomination Body) €STR.

(n) *Definitions*

"**Banking Day(s)**" means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Milan, Paris, New York and Luxembourg and a TARGET Day.

"**Broken Amount**" means the amount specified as such in the relevant Final Terms.

"**CMS**" means the constant maturity swap rate specified as such in the Final Terms.

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

- (a) if "**1/1**" is specified, 1;
- (b) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of
    - A. the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - B. the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (d) if "**Actual/365 (Fixed)**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;

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- (e) if "**Actual/360**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

- (h) if "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

"**EURIBOR**" means the Euro-zone interbank offered rate specified as such in the Final Terms.

"**Fixed Interest Amount**" means the amount specified as such in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the Final Terms) as published by the International Swaps and Derivatives Association, Inc., a copy of which is available on the website of the International Swaps and Derivatives Association, Inc. (<https://www.isda.org/>).

"**Margin**" is as defined in the relevant Final Terms.

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

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- (a) in relation to euro, it means the principal financial centre of such member state of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

"**Rate Multiplier**" is as defined in the relevant Final Terms.

"**Record Date(s)**" is the day indicated in the relevant Final Terms on which the person shown in the records of the relevant Clearing System as being entitled to an interest in a Global Note has the right to receive payment of the relevant Interest Amount on the relevant Interest Payment Date(s).

"**Reference Banks**" means, the institutions specified as such in the relevant Final Terms or, if none, four (or, if the Relevant Financial Centre is Helsinki, five) major banks selected by Issuer.

"**Reference Price**" is as defined in the relevant Final Terms.

"**Reference Rate**" is as defined in the relevant Final Terms.

"**Reference Rate Multiplier**" is as defined in the relevant Final Terms.

"**Regular Period**" means:

- (a) in the case of Notes where Interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, Interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, Interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Adjustment Provisions**" means:

- (a) in the case of Index Linked Notes, Index Linked Note Condition 2 (*Market Disruption*) and Index Linked Note Condition 3 (*Adjustments to an Index*);

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- (b) in the case of Share Linked Notes, Share Linked Note Condition 2 (*Market Disruption*), Share Linked Note Condition 3 (*Potential Adjustment Events*) and Share Linked Note Condition 5 (*Extraordinary Events*);
- (c) in the case of ETI Linked Notes, ETI Linked Note Condition 2 (*Market Disruption*) and ETI Linked Note Condition 3 (*Potential Adjustment Events*);
- (d) in the case of Commodity Linked Notes, Commodity Linked Note Condition 2 (*Market Disruption*) Commodity Linked Note Condition 3 (*Consequences of a Market Disruption Event and a Disruption Fallbacks*) and Commodity Linked Note Condition 4 (*Adjustments to a Commodity Index*);
- (e) in the case of Currency Linked Notes, Currency Linked Note Condition 2 (*Disruption Events*), Currency Linked Note Condition 3 (*Consequences of a Disruption Event*);
- (f) in the case of Fund Linked Notes, Fund Linked Note Condition 4 (*Consequences of an Extraordinary Fund Event*);
- (g) in the case of Futures Linked Notes, Futures Linked Note Condition 3 (*Adjustments to a Future*);  
and
- (h) in the case of Debt Linked Notes, Debt Linked Note Condition 3 (*Market Disruption*), Debt Linked Note Condition 4 (*Correction of Debt Instrument Price*) and Debt Linked Note Condition 5 (*Redemption or Cancellation of a Debt Instrument*);

**"Relevant Determination Time"** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the Relevant Financial Centre provided that if the relevant currency is Euro and the Benchmark is EURIBOR, the Relevant Determination Time shall be 11.00 am Brussels time.

**"Relevant Financial Centre"** means, with respect to any floating rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected or, if none is so connected, London.

**"Relevant Screen Page"** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified as the Relevant Screen Page in the relevant Final Terms for the purpose of providing a Reference Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

**"Interest Amount"** means, in respect of each Note and an Interest Period, one of the following amounts:



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- (a) if the Notes are indicated as Fixed Rate Notes in the relevant Final Terms and the Fixed Interest Amount or Broken Amount is specified in the Final Terms for that Interest Period, the Interest Amount payable on the relevant Interest Payment Date shall be the Fixed Interest Amount or Broken Amount so specified;
- (b) if the Notes are indicated as Fixed Rate Notes in the relevant Final Terms and the Fixed Interest Amount or Broken Amount is not specified in the Final Terms, the Interest Amount payable on the relevant Interest Payment Date shall be an amount calculated by the Calculation Agent by applying the Interest Rate to the Nominal Amount of each Note and, if a Day Count Fraction is specified in the applicable Final Terms, multiplying such sum by the applicable Day Count Fraction and rounding such amount in accordance with Base Condition 7(i) (*Roundings*). If the resulting amount is not an amount in the Settlement Currency it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms;
- (c) if the Notes are indicated as Floating Rate Notes in the relevant Final Terms, the Interest Amount payable on the relevant Interest Payment Date shall be an amount calculated by the Calculation Agent by applying the relevant Interest Rate to the Nominal Amount of such Note and multiplying such amount by the Day Count Fraction specified in the applicable Final Terms and rounding such amount in accordance with Base Condition 7(i) (*Roundings*). If the resulting amount is not an amount in the Settlement Currency it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms;
- (d) if the Notes are indicated as Structured Rate Notes in the relevant Final Terms, the Interest Amount payable on each Note on the relevant Interest Payment Date shall be an amount calculated by the Calculation Agent by applying the Interest Rate to the Nominal Amount of such Note and, if a Day Count Fraction is specified in the applicable Final Terms, multiplying such amount by the applicable Day Count Fraction specified in the applicable Final Terms and rounding such amount in accordance with Base Condition 7(i) (*Roundings*). If the resulting amount is not an amount in the Settlement Currency it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms.

"**Interest Barrier Event**" means that the Settlement Price is (a) "greater than", (b) "equal to or greater than", (c) "less than" (d) "less than or equal to", as specified in the applicable Final Terms, the Interest Barrier Level (x) on an Interest Barrier Observation Date or (y) in respect of an Interest Barrier Observation Period, as specified in the applicable Final Terms at any time during the relevant Interest Barrier Observation Period, as specified in the relevant Final Terms.

"**Interest Barrier Level**" is as defined in the Final Terms.

"**Interest Barrier Observation Date**" means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes, a Commodity Business Day (in respect of Commodity Linked Notes), a Fund Business Day (in the case of Fund Linked Notes) or Business Day (in the case of other Notes), as

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applicable, the next following Scheduled Trading Day, Commodity Business Day, Fund Business Day or Business Day, as applicable, unless, in the case of Index Linked Notes, Share Linked Notes, Commodity Linked Notes, Debt Linked Notes or ETI Linked Notes, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes, a Market Disruption Event is occurring on such day (in respect of Commodity Linked Notes). If any such day is a Disrupted Day, a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Interest Barrier Observation Date" or (in the case of Commodity Linked Notes) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Interest Barrier Observation Date". For the purposes of the Relevant Adjustment Provisions, any references to "Valuation Date" shall be deemed to refer to the "Interest Barrier Observation Date";

**"Interest Barrier Observation Period"** means the period indicated in the relevant Final Terms.

**"Interest Commencement Date"** means the Issue Date or such other date as may be specified in the relevant Final Terms.

**"Interest Determination Date"** has the meaning given to it in the Final Terms.

**"Interest Payment Condition"** means the occurrence of one of the following events:

- (i) the Settlement Price is equal to and/or exceeds the Interest Payment Condition Level on an Interest Payment Condition Observation Date or at any time during the Interest Payment Condition Observation Period, as specified in the relevant Final Terms; or
- (ii) the Settlement Price is equal to and/or falls below the Interest Payment Condition Level on an Interest Payment Condition Observation Date or at any time during the Interest Payment Condition Observation Period, as specified in the relevant Final Terms; or
- (iii) any other event or condition described in the relevant Final Terms; or
- (iv) if the Notes are Leveraged Notes, the Reference Level is equal to and/or exceeds the Interest Payment Condition Level on an Interest Payment Condition Observation Date.

Where:

**"Reference Level"** means:

$$\text{Reference Level}_0 \times (1 + \text{Participation Factor} \times (\text{Fund Level}_t - \text{Fund Level}_0) / \text{Fund Level}_0 - (\text{Participation Factor} - 1) \times \text{Fees}_t)$$

**"Reference Level<sub>0</sub>"** means the number (expressed as a percentage) specified in the Final Terms.

**"Fund Level<sub>0</sub>"** means the Settlement Price of the relevant Underlying Reference(s) as of the Fixing

Date.

"**Fund Level<sub>t</sub>**" means, in respect of an Interest Payment Condition Observation Date, the Settlement Price of the relevant Underlying Reference (s) as of the Calculation Date immediately preceding such Interest Payment Condition Observation Date.

"**Fixing Date**" means the Calculation Date immediately preceding the First Calculation Date.

"**Calculation Date**" means each day on which the Settlement Price is calculated and published.

"**First Calculation Date**" means each day which is a Fund Business Day.

"**Fees<sub>t</sub>**" means the cumulative leverage fee, expressed as a percentage and calculated by the Calculation Agent as the aggregate sum of the Fees Accrued during each Fees Accrual Period.

"**Fees Accrued**" means, in respect of a Fee Accrual Period, the fees accrued during such period, expressed as a percentage and calculated by the Calculation Agent as follows:

$$(\text{Fee ISDA Rate} + \text{Fee Margin}) \times \text{Day Count Fraction}$$

"**Fee ISDA Rate**" means the floating rate determined according to the ISDA Determination under Base Condition 7(d)(i) as indicated in the applicable Final Terms.

"**Fee Margin**" is as defined in the relevant Final Terms.

"**Fee Accrual Period(s)**" means the periods commencing on (and including) the Fee Accrual Commencing Date up to (but excluding) the first Fee Accrual Date and each subsequent period commencing on (and including) a Fee Accrual Date up to (but excluding) the next following Fee Accrual Date. For the purposes of this Base Condition 7 and in relation to an Interest Payment Condition Observation Date, the last Fee Accrual Period shall be deemed to end on (but excluding) the Calculation Date immediately preceding such Interest Payment Condition Observation Date.

"**Fee Accrual Commencing Date**" is as defined in the relevant Final Terms.

"**Fee Accrual Date(s)**" is as defined in the relevant Final Terms.

"**Day Count Fraction**" is as defined in the relevant Final Terms.

"**Interest Payment Condition Level**" has the meaning given to it in the Final Terms.

"**Interest Payment Condition Observation Date**" means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes, a Commodity Business Day (in respect of Commodity Linked Notes), a Fund Business Day (in the case of Fund Linked Notes) or Business Day (in the case of other Notes), as applicable, the next following Scheduled Trading Day, Commodity Business Day, Fund Business Day or Business Day, as applicable, unless, in the case of Index Linked Notes, Share

Linked Notes, Commodity Linked Notes, Debt Linked Notes or ETI Linked Notes, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes, a Market Disruption Event is occurring on such day (in respect of Commodity Linked Notes). If any such day is a Disrupted Day, a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Interest Payment Condition Observation Date" or (in the case of Commodity Linked Notes) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Interest Payment Condition Observation Date". For the purposes of the Relevant Adjustment Provisions, any references to "Valuation Date" shall be deemed to refer to the "Interest Payment Condition Observation Date";

"**Interest Payment Condition Observation Period**" has the meaning given to it in the Final Terms.

"**Interest Payment Date(s)**" has the meaning given to it in the Final Terms.

"**Interest Period**" means the period commencing on (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each period commencing on (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date.

"**Interest Rate**" means the Rate, the Rate<sub>(i)</sub>, the Rate 1<sub>(i)</sub>, the Rate 2<sub>(i)</sub>, as indicated in applicable Final Terms or the rate calculated according to the Formulas Condition 5.1 (Interest Rates Formulas);

"**Specified Duration**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the period specified in the relevant Final Terms.

"**T2**" means the real-time gross settlement system operated by the Eurosystem, or any successor system.

"**TARGET Day**" means any day on which the T2 is open for the settlement of payments in Euro.

## 8. REDEMPTION OF NOTES

### 8.1. *Maturity Date*

Unless previously redeemed, purchased and cancelled as provided below, each Note will be redeemed by the Issuer on the Maturity Date specified in the applicable Final Terms.

If a Business Day Convention is specified in the applicable Final Terms as applying to the Maturity Date and if the Maturity Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) the Following Business Day Convention, the Maturity Date shall be postponed to the next day which is a Business Day; or

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

### 8.2. *Cash Settlement*

If the Notes, are specified in the relevant Final Terms to be Cash Settled Notes ("**Cash Settled Notes**"), each such Note entitles its holder to receive from the relevant Issuer on the Maturity Date the Final Redemption Amount, less any Expenses not already paid.

### 8.3. *Physical Settlement*

If the Notes are specified in the relevant Final Terms to be Physical Settled Notes ("**Physical Delivery Notes**"), each such Note entitles its holder, subject to the provisions of Base Condition 4 (*Physical Delivery Provisions*) and, where "Physical Settlement according to Base Condition 12.1" is specified as applicable in the applicable Final Terms, Base Condition 12.1 (*Physical Delivery Confirmation Notice Requirement*), to receive from the relevant Issuer on the Maturity Date the Entitlement, subject to payment of any Expenses. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Unless otherwise specified in the applicable Final Terms, Notes of the same Noteholder automatically redeemed and, where "Physical Settlement according to Base Condition 12.1" is specified as applicable in the applicable Final Terms, in respect of which a Physical Delivery Confirmation Notice (as defined below) has been duly given as provided in Base Condition 12.1 (*Physical Delivery Confirmation Notice Requirement*), will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Notes, provided that the aggregate Entitlements in respect of the same Noteholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and a cash adjustment amount calculated by the Calculation Agent will be paid in lieu of such fractions of the Relevant Asset. Any such cash adjustment amount will be paid (i) where "Physical Settlement according to Base Condition 12.1" is specified as applicable in the applicable Final Terms, to the account specified in the relevant Physical Delivery Confirmation Notice and (ii) where "Alternative Physical Settlement" is specified as applicable in the applicable Final Terms, in the manner specified in the applicable Final Terms.

Following exercise of a Share Linked Note or ETI Linked Note which is a Physical Delivery Note, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Maturity Date and to be delivered in the same manner as such relevant Shares or ETI Interests, all as determined by the Calculation Agent. Any such

dividends to be paid to a Noteholder will be paid (i) where “Physical Settlement according to Base Condition 12.1” is specified as applicable in the applicable Final Terms, to the account specified by the Noteholder in the relevant Physical Delivery Confirmation Notice as referred to in Base Condition 12.1 and (ii) where “Alternative Physical Settlement” is specified as applicable in the applicable Final Terms, in the manner specified in the applicable Final Terms.

8.4. *This section is intentionally left blank*

8.5. *Automatic Early Redemption*

This Base Condition 8.5 applies to Index Linked Notes, Share Linked Notes, Debt Linked Notes, ETI Linked Notes, Currency Linked Notes, Commodity Linked Notes, Futures Linked Notes, Fund Linked Notes and, if FI Underlying Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms, Interest Linked Notes only.

- (a) If Automatic Early Redemption is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if on (i) any Automatic Early Redemption Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period, as specified in the applicable Final Terms, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, and on the Automatic Early Redemption Date each Note will entitle its holder to receive from the Issuer the relevant Automatic Early Redemption Amount or, in case of Physical Delivery Notes, the Early Redemption Entitlement, as the case may be, less any Expenses not already paid.
- (b) Notwithstanding Base Condition 8.5(a), an Automatic Early Redemption Event 1 may only occur on an AER 1 Redemption Valuation Date or in respect of an AER 1 Redemption Valuation Period and an Automatic Early Redemption Event 2 may only occur on an AER 2 Redemption Valuation Date or in respect of an AER 2 Redemption Valuation Period.
- (c) Definitions relating to Automatic Early Redemption:

"**AER Event 1 Underlying(s)**" means the Underlying Reference or each Underlying Reference comprising the Basket, in each case specified as such in the applicable Final Terms;

"**AER Event 2 Underlying(s)**" means the Underlying References or each Underlying Reference comprising the Basket, in each case specified as such in the applicable Final Terms;

"**AER Knock-out**" means the occurrence (such date of occurrence, the **AER Knock-out Date**) of a Knock-out Event and/or a Knock-in Event as specified in the applicable Final Terms;

"**AER Margin**" is as defined in the applicable Final Terms.

"**AER Range Level**" means the range of levels, amounts, numbers or percentages specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**AER Range Level 1**" means the range of levels, amounts, numbers or percentages specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**AER Range Level 2**" means the range of levels, amounts, numbers or percentages specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**AER Rate(s)**" means the rate(s) specified as such or determined in the manner set out in the applicable Final Terms with reference to each Automatic Early Redemption Date;

"**Automatic Early Redemption Amount**" means an amount equal to the Automatic Early Redemption Payout set out in the applicable Final Terms or, if not set out, an amount equal to the product of (i) the Nominal Amount in respect of such Note and (ii) the sum of the relevant Automatic Early Redemption Percentage and the relevant AER Rate relating to that Automatic Early Redemption Date provided that if the Automatic Early Redemption Payout is zero, no amount shall be payable on settlement of the Note pursuant to this Base Condition. If the Automatic Early Redemption Amount is not an amount in the Settlement Currency specified in the applicable Final Terms, it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms;

"**Automatic Early Redemption Date**" means (i) if Target Automatic Early Redemption Payout, FI Underlying Automatic Early Redemption Payout or FI Coupon Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms, the Interest Payment Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event occurs, or, otherwise, (ii) each date specified as such in the applicable Final Terms, or if such date is not a Business Day, the next following Business Day, and no Noteholder shall be entitled to any interest or further payment in respect of such delay;

"**Automatic Early Redemption Event**" means:

- (a) if Target Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms, that the Cumulative Interest (i) is equal to or greater than or (ii) greater than or (iii) equal to or less than or (iv) less than, the Automatic Early Redemption Percentage;
- (b) if FI Underlying Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms, that:
  - (i) (in respect of an Underlying Reference (other than an Alternative Currency)) the Underlying Reference Level is; or
  - (ii) (in respect of an Alternative Currency), the FX Coupon Performance determined by the Calculation Agent is

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equal to or greater than the Automatic Early Redemption Level 1 and (ii) less than or equal to the Automatic Early Redemption Level 2;

- (c) if FI Coupon Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms, that the product of (i) the Interest Rate and (ii) the Day Count Fraction, in each case in respect of the Current Interest Period is equal to or greater than the relevant Automatic Early Redemption Percentage;
- (d) if Standard Automatic Early Redemption and MFP AER Valuation are specified as applicable in the applicable Final Terms, that:
  - (i) the MFP AER Value 1 in respect of the AER Event 1 Underlying(s) is (aa) "greater than", (bb) "greater than or equal to", (cc) "less than", (dd) "less than or equal to" the Automatic Early Redemption Level 1, or (ee) "within" the AER Range Level, or (ff) "outside" the AER Range Level 1, all as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 1**"); and/or (as specified in the applicable Final Terms)
  - (ii) if Automatic Early Redemption Event 2 is specified as applicable in the applicable Final Terms, the MFP AER Value 2 in respect of the AER Event 2 Underlying(s) is (aa) "greater than", (bb) "greater than or equal to", (cc) "less than", (dd) "less than or equal to" the Automatic Early Redemption Level 2 or (ee) "within" the AER Range Level, (ff) "outside" the AER Range Level 2, all as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 2**");
- (e) if Standard Automatic Early Redemption is specified as applicable in the applicable Final Terms and MFP AER Valuation is specified as not applicable in the applicable Final Terms that:
  - (i) (A) if AER Event 1 Basket is specified as not applicable in the applicable Final Terms, the Underlying Reference Level 1 or (B) if AER Event 1 Basket is specified as applicable in the applicable Final Terms, the Basket Price 1 is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than", (dd) "less than or equal to" the Automatic Early Redemption Level 1, or (ee) "within" the AER Range Level, or (ff) "outside" the AER Range Level 1, as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 1**"); and/or (as specified in the applicable Final Terms)
  - (ii) if Automatic Early Redemption Event 2 is specified as applicable in the applicable Final Terms (A) if AER Event 2 Basket is specified as not applicable in the applicable Final Terms, the Underlying Reference Level 2 or (B) if AER Event 2 Basket is specified as applicable in the applicable Final Terms, the Basket Price 2 is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than", (dd) "less than or equal to" the Automatic Early Redemption Level 2, or (ee) "within" the AER Range Level, (ff) "outside" the AER Range Level 2, as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 2**");
- (f) if Single Standard Automatic Early Redemption and MFP AER Valuation are specified as



applicable in the applicable Final Terms, that the MFP AER Value is (aa) "greater than", (bb) "greater than or equal to", (cc) "less than", (dd) "less than or equal to" the Automatic Early Redemption Level, or (ee) "within" the AER Range Level, or (ff) "outside" the AER Range Level, as specified in the applicable Final Terms;

- (g) if Single Standard Automatic Early Redemption is specified as applicable in the applicable Final Terms and MFP AER Valuation is specified as not applicable in the applicable Final Terms that (A) in the case of a single Underlying Reference, the Underlying Reference Level or (B) in the case of a Basket of Underlying References, the Basket Price is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" (dd) "less than or equal to" the Automatic Early Redemption Level, or (ee) "within" the AER Range Level, (ff) "outside" the AER Range Level, as specified in the applicable Final Terms;
- (h) if AER Knock-out is specified in the applicable Final Terms, an AER Knock-out occurs;
- (i) if Leveraged Automatic Early Redemption is specified as applicable in the applicable Final Terms that the Reference Level is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Leveraged Barrier, as specified in the applicable Final Terms;
- (j) if MFP Digital Coupon or MFP Memory Snowball Digital Coupon is specified in the applicable Final Terms and MFP Target Automatic Early Redemption Event is specified as applicable in the applicable Final Terms, the number of times the Digital Coupon Condition or the MFP Memory Snowball Digital Coupon Condition, as the case may be, has been satisfied is equal to or greater than the Automatic Early Redemption Level as of an Automatic Early Redemption Valuation Date;

**"Automatic Early Redemption Level"** means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

**"Automatic Early Redemption Level 1"** means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

**"Automatic Early Redemption Level 2"** means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

**"Automatic Early Redemption Percentage(s)"** means the percentage(s) specified as such in the applicable Final Terms with reference to each Automatic Early Redemption Date;

**"Automatic Early Redemption Valuation Date"** means (i) the AER Knock-out Date or (ii) each date specified as such in the applicable Final Terms (including the AER 1 Redemption Valuation Date and AER 2 Redemption Valuation Date (if any)) or, if such date is not a Scheduled Trading Day (in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes), a Commodity Business Day

(in respect of Commodity Linked Notes), a Fund Business Day (in the case of Fund Linked Notes) or Business Day (in the case of other Notes), as applicable, the next following Scheduled Trading Day, Commodity Business Day, Fund Business Day or Business Day, as applicable, unless, in the case of Index Linked Notes, Share Linked Notes, Commodity Linked Notes, Debt Linked Notes or ETI Linked Notes, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes, a or a Market Disruption Event is occurring on such day (in respect of Commodity Linked Notes). If any such day is a Disrupted Day, or (except in the case of Commodity Linked Notes) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Linked Notes) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Automatic Early Redemption Valuation Date". For the purposes of the Relevant Adjustment Provisions, any references to "Valuation Date" shall be deemed to refer to the "Automatic Early Redemption Valuation Date";

**"Automatic Early Redemption Valuation Period"** means the period (including the AER 1 Redemption Valuation Period and AER 2 Redemption Valuation Period (if any)) specified as such in the applicable Final Terms;

**"Automatic Early Redemption Valuation Time"** means the time specified as such in the applicable Final Terms;

**"Basket of Underlying References"** means, for the purposes of this Base Condition 8.5, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Debt Instruments, Basket of Commodities, Basket of Futures, Fund Basket or other basis of reference to which the value of the relevant Notes may relate, as specified in the applicable Final Terms;

**"Basket Price"** means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying References comprising the Basket as the product of (a) the Underlying Reference Level of such Underlying References comprising the Basket on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting;

**"Basket Price 1"** means, in respect of any AER 1 Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each AER Event 1 Underlying comprising the Basket as the product of (a) the Underlying Reference Level 1 of such AER Event 1 Underlying on such AER 1 Redemption Valuation Date and (b) the relevant Weighting;

**"Basket Price 2"** means, in respect of any AER 2 Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each AER Event 2 Underlying comprising the Basket as the product of (a) the Underlying Reference Level 2 of such AER Event 2 Underlying on such AER 2 Redemption Valuation Date and (b) the relevant Weighting;

"**Cumulative Interest**" means, in respect of an Automatic Early Redemption Valuation Date, (a) the sum of the values calculated for each Interest Period preceding the Current Interest Period as the product of (i) the Interest Rate and (ii) if specified in the applicable Final Terms, the Day Count Fraction, in each case for such Interest Period plus (b) the product of (i) the Interest Rate and (ii) if specified in the applicable Final Terms, the Day Count Fraction, in each case for the Current Interest Period;

"**Current Interest Period**" means, in respect of an Automatic Early Redemption Valuation Date, the Interest Period during which such Automatic Early Redemption Valuation Date falls;

"**Early Redemption Entitlement**" means, in relation to a Physical Delivery Note, and an Underlying Reference or, as the case may be, a Component, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Noteholder is entitled to receive on the Automatic Early Redemption Date in respect of each such Note following payment of any sums payable and Expenses rounded down as provided in Base Condition 8.3 (*Physical Settlement*), as determined by the Calculation Agent including any documents evidencing such Entitlement, specified in the applicable Final Terms or in accordance with the following:

- (a) the Entitlement Units; multiplied by
- (b) the Entitlement Multiplier; multiplied by
- (c) in respect of any Underlying Reference constituted by a Basket, the relevant Weighting;

"**Entitlement Units**" is as defined in the applicable Final Terms;

"**Entitlement Multiplier**" is as defined in the applicable Final Terms;

"**Leveraged Barrier**" is as defined in the applicable Final Terms;

"**Maximum AER Reference Rate**" is the rate specified in the applicable Final Terms;

"**Minimum AER Reference Rate**" is the rate specified in the applicable Final Terms;

"**Multiple Underlying Interest Rate Gearing**" means, in respect of an Underlying Interest Rate<sup>(i)</sup> specified in the applicable Final Terms as a Multiple Underlying Component Rate, the number specified as such in the applicable Final Terms;

"**Multiple Underlying Reference Rate**" means, in respect of an Underlying Interest Rate<sup>(i)</sup> specified in the applicable Final Terms as a Multiple Underlying Component Rate, the Underlying Reference Rate determined in respect of such Underlying Interest Rate;

"**Multiple Underlying Reference Rate Value**" means the value calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Multiple Underlying Interest Rate Gearing}_{(i)} \times \text{Multiple Underlying Reference Rate}_{(i)}$$

"**Observation Price Source**" means the source specified as such in the applicable Final Terms;

"**Reference Level**" means the value calculated in accordance with the following formula:

$$\text{Reference Level}_0 \times (1 + \text{Participation Factor} \times (\text{Fund Level}_t - \text{Fund Level}_0) / \text{Fund Level}_0 - (\text{Participation Factor} - 1) \times \text{Fees}_t)$$

Where:

"**Reference Level**<sub>0</sub>" means the number (expressed as a percentage) specified in the Final Terms.

"**Fund Level**<sub>0</sub>" means the Settlement Price of the relevant Underlying Reference(s) as of the Fixing Date.

"**Fund Level**<sub>t</sub>" means, in respect of an Automatic Early Redemption Valuation Date, the Settlement Price of the relevant Underlying Reference(s) as of the Calculation Date immediately preceding such Automatic Early Redemption Valuation Date.

"**Fixing Date**" means the Calculation Date immediately preceding the First Calculation Date.

"**Calculation Date**" means each day which is a Fund Business Day.

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

"**Fees**<sub>t</sub>" means the cumulative leverage fee, expressed as a percentage and calculated by the Calculation Agent as the aggregate sum of the Fees Accrued during each Fees Accrual Period.

"**Fees Accrued**" means, in respect of a Fee Accrual Period, the fees accrued during such period, expressed as a percentage and calculated by the Calculation Agent as follows:

$$(\text{Fee ISDA Rate} + \text{Fee Margin}) \times \text{Day Count Fraction}$$

"**Fee ISDA Rate**" means the floating rate determined according to the ISDA Determination under Base Condition 7(d)(i) as indicated in the applicable Final Terms.

"**Fee Margin**" is as defined in the applicable Final Terms.

"**Fee Accrual Period(s)**" means the periods commencing on (and including) the Fee Accrual Commencing Date up to (but excluding) the first Fee Accrual Date and each subsequent period commencing on (and including) a Fee Accrual Date up to (but excluding) the next following Fee Accrual Date. For the purposes of this Base Condition 8.5 (*Automatic Early Redemption*) and in relation to an Automatic Early Redemption Valuation Date, the last Fee Accrual Period shall be deemed to end (but exclude) on the Calculation Date immediately preceding such Automatic Early Redemption Valuation Date.

"**Fee Accrual Commencing Date**" is as defined in the applicable Final Terms.

"**Fee Accrual Date(s)**" is as defined in the relevant Final Terms.

"**Participation Factor**" is as defined in the applicable Final Terms.

"**Day Count Fraction**" is as defined in the applicable Final Terms.

"**Relevant Adjustment Provisions**" means:

- (a) in the case of Index Linked Notes, Index Linked Note Condition 2 (Market Disruption) and Index Linked Note Condition 3 (Adjustments to an Index);
- (b) in the case of Share Linked Notes, Share Linked Note Condition 2 (Market Disruption), Share Linked Note Condition 3 (Potential Adjustment Events) and Share Linked Note Condition 5 (Extraordinary Events);
- (c) in the case of ETI Linked Notes, ETI Linked Note Condition 2 (Market Disruption) and ETI Linked Note Condition 3 (Potential Adjustment Events);
- (d) in the case of Commodity Linked Notes, Commodity Linked Note Condition 2 (Market Disruption) Commodity Linked Note Condition 3 (Consequences of a Market Disruption Event and a Disruption Fallbacks) and Commodity Linked Note Condition 4 (Adjustments to a Commodity Index);
- (e) in the case of Currency Linked Notes, Currency Linked Note Condition 2 (Disruption Events), Currency Linked Note Condition 3 (Consequences of a Disruption Event);
- (f) in the case of Fund Linked Notes, Fund Linked Note Condition 4 (Consequences of an Extraordinary Fund Event);
- (g) in the case of Futures Linked Notes, Futures Linked Note Condition 3 (Adjustments to a Future);  
and
- (h) in the case of Debt Linked Notes, Debt Linked Note Condition 3 (Market Disruption), Debt Linked Note Condition 4 (Correction of Debt Instrument Price) and Debt Linked Note Condition 5 (Redemption or Cancellation of a Debt Instrument);

"**MFP AER Value**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

## TERMS AND CONDITIONS OF THE NOTES

"**MFP AER Value 1**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**MFP AER Value 2**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Underlying Reference**" means, for the purposes of this Base Condition 8.5 each Index, Share, Debt Instrument, ETI Interest, Commodity, Commodity Index, Alternative Currency, Future, Fund, Underlying Interest Rate or other basis of reference to which the relevant Notes relate. If two or more Underlying Interest Rates are specified in the applicable Final Terms as Multiple Underlying Component Rates each Underlying Interest Rate<sup>(i)</sup> specified as such (together the "**Multiple Underlying Interest Rate**") will be calculated separately and independently but for the purposes of this Base Condition 8.5 and the Interest Rate Linked Note Conditions shall be deemed to together constitute an Underlying Reference;

"**Underlying Reference Level**" means, in respect of any Automatic Early Redemption Valuation Date, (i) "official level", "official close", "last price", "bid price" or "asked price" of the Underlying Reference or the Italian Notes Reference Price, as specified in the applicable Final Terms published by the Observation Price Source specified in the Final Terms or (ii) if Standard Price is specified as applicable in the applicable Final Terms (a) in the case of Share Linked Notes, ETI Linked Notes and Futures Linked Notes, the price of the relevant Underlying Reference, (b) in the case of Index Linked Notes, the level of the relevant Underlying Reference, (c) in the case of Commodity Linked Notes, the Relevant Price, (d) in the case of Currency Linked Notes, the spot rate of exchange for the exchange of the Alternative Currency into the Base Currency (expressed as the number of units (or part units) of such Alternative Currency for which one unit of the Base Currency can be exchanged), (e) in the case of an Inflation Index, the Relevant Level, (f) in the case of an Underlying Interest Rate, the Underlying Reference Rate, or (g) if FI Underlying Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms and Multiple Underlying Interest Rate is specified as applicable, the Multiple Underlying Reference Rate Value, in each case, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such Automatic Early Redemption Valuation Date or, in the case of the "official close" level, at such time on such Automatic Early Redemption Valuation Date as the "official close" level is published by the Observation Price Source;

"**Underlying Reference Level 1**" means, in respect of any AER 1 Redemption Valuation Date, (i) if Standard Price is specified as applicable in the applicable Final Terms, (a) in the case of Share Linked

Notes, ETI Linked Notes and Futures Linked Notes, the price of the relevant AER Event 1 Underlying, (b) in the case of Index Linked Notes, the level of the relevant AER Event 1 Underlying, (c) in the case of Commodity Linked Notes, the Relevant Price, or (d) in the case of Currency Linked Notes, the spot rate of exchange for the exchange of the Alternative Currency into the Base Currency (expressed as the number of units (or part units) of such Alternative Currency for which one unit of the Base Currency can be exchanged), or (e) in the case of an Inflation Index, the Relevant Level, or (f) in the case of an Underlying Interest Rate, the Underlying Reference Rate, in each case, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such AER 1 Redemption Valuation Date or (ii) in the case of Debt Linked Notes or Currency Linked Notes to which Futures Price Valuation applies, the "last price" of the relevant AER Event 1 Underlying published by the Observation Price Source specified for such AER Event 1 Underlying; and

**"Underlying Reference Level 2"** means, in respect of any AER 2 Redemption Valuation Date, (i) if Standard Price is specified as applicable in the applicable Final Terms, (a) in the case of Share Linked Notes, ETI Linked Notes and Futures Linked Notes, the price of the relevant AER Event 2 Underlying, (b) in the case of Index Linked Notes, the level of the relevant AER Event 2 Underlying, (c) in the case of Commodity Linked Notes, the Relevant Price, or (d) in the case of Currency Linked Notes, the spot rate of exchange for the exchange of the Alternative Currency into the Base Currency (expressed as the number of units (or part units) of such Alternative Currency for which one unit of the Base Currency can be exchanged), or (e) in the case of an Inflation Index, the Relevant Level, or (f) in the case of an Underlying Interest Rate, the Underlying Reference Rate, in each case, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such AER 2 Redemption Valuation Date or (ii) in the case of Debt Linked Notes or Currency Linked Notes to which Futures Price Valuation applies, the "last price" of the relevant AER Event 2 Underlying published by the Observation Price Source specified for such AER Event 2 Underlying.

(d) AER Rate Determination

Where the applicable Final Terms specify that the AER Rate is determined by reference to a Screen Rate, the AER Rate will be determined pursuant to Interest Rate Linked Note Conditions 2, 3, 4, 5, 6 and 7, as applicable, save that references therein to "Underlying Reference Rate" shall be deemed to be references to "AER Rate".

8.6. *Automatic Early Redemption – Automatic Early Redemption Payout Capitalised Call and Put Notes 1*

Notwithstanding Base Condition 8.5 (*Automatic Early Redemption*), if "Automatic Early Redemption" and Automatic Early Redemption Payout Capitalised Call and Put Notes 1 are specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the date falling the number of Business Days specified in the applicable Final Terms following the Valuation Date (as defined in Formulas Condition 1.2 (*Additional definitions for Single Final Payout - Capitalised Call and Put Notes, Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and Put Payout Capitalised Call*

and Put Notes) (the "**Automatic Early Redemption Date**") and the amount payable by the Issuer upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

For these purposes:

"**Automatic Early Redemption Amount**" means an amount in the Settlement Currency (as defined in Formulas Condition 1.2 (*Additional definitions for Single Final Payout - Capitalised Call and Put Notes, Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and Put Payout Capitalised Call and Put Notes*)) equal to the Automatic Early Redemption Payout set out in the applicable Final Terms. If the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Note pursuant to this Base Condition 8.6.

The Automatic Early Redemption Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency half of any sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

"**Automatic Early Redemption Event**" means that, as determined by the Calculation Agent, at the Observation Time(s) (as defined in Formulas Condition 1.2 (*Additional definitions for Single Final Payout - Capitalised Call and Put Notes, Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and Put Payout Capitalised Call and Put Notes*)) on an Automatic Early Redemption Valuation Date (the "**Relevant Automatic Early Redemption Valuation Date**"):

- (a) with respect to a Call Note, the Observation Price (as defined in Formulas Condition 1.2 (*Additional definitions for Single Final Payout - Capitalised Call and Put Notes, Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and Put Payout Capitalised Call and Put Notes*)) is less than or equal to the applicable Note Threshold (as defined in Formulas Condition 1.2 (*Additional definitions for Single Final Payout - Capitalised Call and Put Notes, Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and Put Payout Capitalised Call and Put Notes*)); or
- (b) with respect to a Put Note, the Observation Price is greater than or equal to the applicable Note Threshold;  
and

"**Automatic Early Redemption Valuation Date**" means each Relevant Business Day (as defined in Formulas Condition 1.2 (*Additional definitions for Single Final Payout - Capitalised Call and Put Notes, Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and Put Payout Capitalised Call and Put Notes*)) from (and including) the Issue Date (notwithstanding the occurrence of (in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes or Currency Linked Notes) a Disrupted Day, (in the case of Commodity Linked Notes) a Commodity Disrupted Day or (otherwise) a Market Disruption Event.

#### 8.7. Issuer Call Option

If the Call Option is specified in the relevant Final Terms as being applicable, then the following provisions will apply:

- (a) if European Style is specified in the relevant Final Terms as being applicable, then the Issuer may, on giving



irrevocable prior notice (the "**Call Option Exercise Notice**") to the Noteholders in accordance with Base Condition 16 (*Notices*) – which notice must be given to the Noteholders no later than the last day of the relevant Call Option Exercise Notice Period specified in the relevant Final Terms - exercise the Issuer's option in relation to all or some of the Notes. The relevant Notes will be redeemed on the relevant Optional Redemption Date (Call) indicated in the Final Terms. Any such redemption of such Notes shall be at their Optional Redemption Amount (Call), determined on the date specified in the relevant Final Terms (the "**Optional Redemption Valuation Date**"), together with any interest (if any), calculated as if it was accrued to such date, unless otherwise specified in the relevant Final Terms in accordance with this Base Condition.

- (b) If American Style is specified in the relevant Final Terms as being applicable, then the Issuer may, at any time during the Call Option Exercise Notice Period specified in the relevant Final Terms, exercise the Issuer's option in relation to all or some of the Notes, by giving prior notice to the Noteholders in accordance with Base Condition 16 (*Notices*) – which notice must be given to the Noteholders no later than the end of the Call Option Exercise Notice Period. The relevant Notes will be redeemed on the relevant Optional Redemption Date (Call) specified in the relevant Call Option Exercise Notice and/or determined on the Optional Redemption Valuation Date in accordance with the relevant Final Terms at their Optional Redemption Amount (Call) together with any interest (if any), calculated as if it was accrued to such date, unless otherwise specified in the relevant Final Terms in accordance with this Base Condition.

The "**Optional Redemption Amount (Call)**" in respect of each Note shall be an amount calculated by the Calculation Agent equal to:

- (a) the amount in the Settlement Currency specified in the relevant Final Terms; or
- (b) the Call Payout as specified in the applicable Final Terms, provided that if the Call Payout is zero, no amount shall be payable on settlement of such Note.

In the case of a partial exercise of an Issuer's option (other than with reference to the CREST Dematerialised Notes) the Call Option Exercise Notice to the Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

In the case of a partial exercise of an Issuer's option with reference to CREST Dematerialised Notes, the notice to Holders referred to in this Base Condition 8.7 shall specify any procedures for partial redemption laid down in the then applicable Uncertificated Securities Regulations.

If Call Option Condition is specified in the relevant Final Terms as being applicable, then the Issuer may, only upon the occurrence of the Call Option Condition(s) as determined by the Calculation Agent and on giving irrevocable prior notice to the Noteholders in accordance with Base Condition 16 (*Notices*) (the "**Call Option Condition Exercise Notice**"), exercise the Issuer's option in relation to all (but not some) of the Notes. The relevant Notes will be redeemed on the relevant Optional Condition Redemption Date (Call) at their Optional Condition Redemption Amount (Call) determined on the date specified in the relevant Final Terms (the "**Optional Condition**

**Redemption Valuation Date (Call)**) together with any Interest (if any), calculated as if it was accrued up to such date, to such date, unless otherwise specified in the relevant Final Terms. For the avoidance of doubt, the Call Option Condition may apply in addition to, or as alternative to, the Call Option rights set forth above.

**"Call Option Condition(s)"** means, if the Call Option Condition is applicable in relation to the Notes, the occurrence of a Call Option Event.

**"Call Option Event"** means that on (i) any Call Option Exercise Valuation Date or (ii) in respect of a Call Option Exercise Valuation Period, as specified in the applicable Final Terms:

- A) the Settlement Price is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Call Trigger Barrier, as specified in the applicable Final Terms; or
- B) if Leveraged Notes Call Payout is specified as applicable in the applicable Final Terms, the Reference Level, is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Call Trigger Barrier, as specified in the applicable Final Terms.

**"Call Option Exercise Valuation Date"** means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes, a Commodity Business Day (in respect of Commodity Linked Notes), a Fund Business Day (in the case of Fund Linked Notes) or Business Day (in the case of other Notes), as applicable, the next following Scheduled Trading Day, Commodity Business Day, Fund Business Day or Business Day, as applicable, unless, in the case of Index Linked Notes, Share Linked Notes, Commodity Linked Notes, Debt Linked Notes or ETI Linked Notes, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes, a Market Disruption Event is occurring on such day (in respect of Commodity Linked Notes). If any such day is a Disrupted Day, a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Call Option Exercise Valuation Date" or (in the case of Commodity Linked Notes) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Call Option Exercise Valuation Date". For the purposes of the Relevant Adjustment Provisions, any references to "Valuation Date" shall be deemed to refer to the "Call Option Exercise Valuation Date";

**"Call Option Exercise Valuation Period"** means the period specified as such in the applicable Final Terms;

**"Call Option Exercise Valuation Time"** means the time specified as such in the applicable Final Terms;

**"Call Trigger Barrier"** means the means the number or value specified in the Final Terms;

**"Optional Condition Redemption Amount (Call)"** means, in relation to the Notes, if the Call Option Condition is applicable (and a Call Option Event has occurred), the amount in the Settlement Currency which the Noteholder is entitled to receive. Such amount in respect of each Note shall be an amount calculated by the Calculation Agent equal to:

- (i) the amount in the Settlement Currency specified in the relevant Final Terms; or
- (ii) the Call Payout as specified in the applicable Final Terms, provided that if the Call Payout is zero, no amount shall be payable on redemption of such Note.

"**Reference Level**" means the value calculated in accordance with the following formula:

$$\text{Reference Level}_0 \times (1 + \text{Participation Factor} \times (\text{Fund Level}_t - \text{Fund Level}_0) / \text{Fund Level}_0 - (\text{Participation Factor} - 1) \times \text{Fees}_t)$$

where:

"**Reference Level<sub>0</sub>**" means the number (expressed as a percentage) specified in the Final Terms.

"**Fund Level<sub>0</sub>**" means the Settlement Price of the relevant Underlying Reference(s) as of the Fixing Date.

"**Fund Level<sub>t</sub>**" means, in respect of a Call Option Exercise Valuation Date, the Settlement Price as of the Calculation Date immediately preceding such Call Option Exercise Valuation Date.

"**Fixing Date**" means the Calculation Date immediately preceding the First Calculation Date.

"**Calculation Date**" means each day which is a Fund Business Day.

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

"**Fees<sub>t</sub>**" means the cumulative leverage fee, expressed as a percentage and calculated by the Calculation Agent as the aggregate sum of the Fees Accrued during each Fees Accrual Period.

"**Fees Accrued**" means, in respect of a Fee Accrual Period, the fees accrued during such period, expressed as a percentage and calculated by the Calculation Agent as follows:

$$(\text{Fee ISDA Rate} + \text{Fee Margin}) \times \text{Day Count Fraction}$$

"**Fee ISDA Rate**" means the floating rate determined according to the ISDA Determination under Base Condition 7(d)(i) as indicated in the applicable Final Terms.

"**Fee Margin**" is as defined in the applicable Final Terms.

"**Fee Accrual Period(s)**" means the periods commencing on (and including) the Fee Accrual Commencing Date up to (but excluding) the first Fee Accrual Date and each subsequent period commencing on (and including) a Fee Accrual Date up to (but excluding) the next following Fee Accrual Date. For the purposes of this Base Condition 8.7 and in relation to a Call Option Exercise Valuation Date, the last Fee Accrual Period shall be deemed to end (but exclude) on such Call Option Exercise Valuation Date.

"**Fee Accrual Commencing Date**" is as defined in the applicable Final Terms.

"**Fee Accrual Date(s)**" is as defined in the relevant Final Terms.

"**Participation Factor**" is as defined in the applicable Final Terms.

"**Day Count Fraction**" is as defined in the applicable Final Terms.

"**Underlying Reference**" means, for the purposes of this Base Condition 8.7 each Index, Share, Debt Instrument, ETI Interest, Commodity, Commodity Index, Alternative Currency, Future, Fund, Underlying Interest Rate or other basis of reference to which the relevant Notes relate. If two or more Underlying Interest Rates are specified in the applicable Final Terms as Multiple Underlying Component Rates each Underlying Interest Rate(i) specified as such (together the "Multiple Underlying Interest Rate") will be calculated separately and independently but for the purposes of this Base Condition 8.7 and the Interest Rate Linked Note Conditions shall be deemed to together constitute an Underlying Reference;

8.8. *Noteholders Put Option*

If (i) the Put Option is specified in the relevant Final Terms as being applicable, (ii) "Maturity Extension" is specified as applicable in the applicable Final Terms and the Issuer duly gives a Maturity Extension Notice and/or (iii) "Reverse Split" is specified as applicable in the applicable Final Terms and the Issuer duly gives a Reverse Split Notice, then the following provisions will apply:

- (a) If European Style is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any such Notes, redeem in whole (but not in part), such Notes on the relevant Optional Redemption Date (Put) indicated in the Final Terms at their Optional Redemption Amount (Put) determined on the date specified in the relevant Final Terms (the "**Optional Redemption Valuation Date**") together with any interest (if any), calculated as if it was accrued up to such date, unless otherwise specified in the relevant Final Terms.
- (b) If American Style is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any such Notes, redeem in whole (but not in part), such Notes on the relevant Optional Redemption Date (Put), being the Business Day falling the number of Business Days specified in the relevant Final Terms, after the receipt by the relevant Paying Agent or the Euroclear Registrar (in the case of CREST Dematerialised Notes) of the Put Option Exercise Notice (indicated in paragraphs (c), (d) and (e) below) or the notice (indicated in in paragraph (c) below), at the Optional Redemption Amount (Put) determined on the Optional Redemption Valuation Date together with any Interest (if any), calculated as if it was accrued, up to such date, unless otherwise specified in the relevant Final Terms.
- (c) If the Note is a Definitive Note, to exercise the Put Option, the Noteholder must deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the Put Option Exercise Notice Period, a duly completed and signed option exercise notice (the "**Put Option Exercise Notice**") in the form obtainable from any Paying Agent accompanied by the Note or evidence satisfactory to the Paying Agent concerned that the Note will, following delivery of the Put Option Exercise Notice, be held to its order or under its control in a manner reasonably satisfactory to the Paying Agent concerned.
- (d) If the Note is held through Euroclear or Clearstream, Luxembourg, ESM, and/or any other relevant Clearing

System, to exercise the Put Option, the Noteholder must, within the Put Option Exercise Notice Period, give notice to the Paying Agent concerned of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, ESM, and/or any other relevant Clearing System (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg, ESM, and/or any other relevant Clearing System or any common depositary for them to the Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg, ESM, and/or any other relevant Clearing System from time to time (the "**Put Option Exercise Notice**").

- (e) If the Notes are CREST Dematerialised Notes, to exercise the right to require redemption of the Notes, the Holder of the Notes must, not less than 30 nor more than 60 days before the Optional Redemption Date (Put), deposit with the Euroclear Registrar a duly completed Put Option Exercise Notice in the form obtainable from the Euroclear Registrar and in accordance with the Uncertificated Securities Regulations.

The Put Option Exercise Notice is irrevocable and (except as provided in the Issue and Paying Agent Agreement, or in the Euroclear Agreement, as applicable) may not be withdrawn without the prior consent of the Issuer.

The Put Option Exercise Notice shall be carried out in relation to a number of Notes in the same series. Any Put Option Exercise Notice, which has not been sent pursuant to this paragraph and within the terms specified in the relevant Final Terms and/or has not been received by the Paying Agent within the time specified above, will not be considered valid. Once the Put Option Exercise Notice is delivered, the Notes in respect of which the Put Option has been exercised shall not be transferred to third parties.

The "**Optional Redemption Amount (Put)**" in respect of each Note shall be an amount calculated by the Calculation Agent equal to:

- (a) the amount in the Settlement Currency specified in the relevant Final Terms; or
- (b) the Put Payout as specified in the applicable Final Terms, provided that if the Put Payout is zero, no amount shall be payable on settlement of such Note.

#### 8.9. *Maturity Extension – SFP Leverage Factor Notes*

If "Maturity Extension" and SFP Leverage Factor Notes are specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, the Issuer may, on giving not less than the minimum notice period nor more than the maximum notice period specified in the applicable Final Terms (the "**Maturity Extension Notice Period**") give notice to the Noteholders in accordance with Base Condition 16 (*Notices*) (a "**Maturity Extension Notice**") (which notice shall be irrevocable) of its election to (i) postpone the Redemption Date of the Notes to the Postponed Redemption Date. Upon receipt of the Maturity Extension Notice, the Noteholder of any Note may request that the Issuer early redeem such Note in accordance with Condition 8.8 (*Noteholders Put Option*). The Maturity Extension Notice will specify the relevant Optional Redemption Valuation Date.

Where:

**"Postponed Redemption Date"** means the date specified as such in the relevant Maturity Extension Notice.

8.10. *Reverse Split – SFP Leverage Factor Notes*

If "Reverse Split" and SFP Leverage Factor Notes are specified as being applicable in the applicable Final Terms and a Reverse Split Event occurs, the Issuer may, on giving not less than the minimum notice period nor more than the maximum notice period specified in the applicable Final Terms (the "**Reverse Split Notice Period**"), give notice to the Noteholders in accordance with Base Condition 16 (*Notices*) (a "**Reverse Split Notice**"), that the Notes will be consolidated and become subject to a Reverse Split (as defined below). The Reverse Split Notice will specify:

- (a) the date on which the Reverse Split shall take effect (the "**Reverse Split Effective Date**");
- (b) the New Note Ratio; and
- (c) the relevant Optional Redemption Valuation Date.

The Issuer shall, on the Reverse Split Effective Date, cancel each Holding of Notes held by a Noteholder and deliver in lieu thereof an amount of New Notes equal to the Post Reverse Split Note Amount plus (if applicable) the Post Reverse Split Cash Amount (a "**Reverse Split**").

Upon receipt of the Reverse Split Notice in respect of a Holding of Notes, the Noteholder may request that the Issuer early redeem each Note in such Holding of Notes in accordance with Condition 8.8 (Noteholders Put Option).

The Issuer or, failing which, the Guarantor (if any) will deliver or cause to be delivered the Post Reverse Split Note Amount and (if applicable) pay or cause to be paid the Post Reverse Split Cash Amount (if any) in respect of a Holding of Notes by transfer or credit to the Holder's account with the relevant Clearing System. The Issuer or the Guarantor (if any) will be discharged by such delivery and (if applicable) such payment to, or to the order of, the relevant Clearing System. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the Notes must look solely to the relevant Clearing System for his share of the New Notes delivered and each such payment so made to, or to the order of, such Clearing System.

Where:

**"Holding of Notes"** means the aggregate holding of Notes by a Noteholder in an account at the relevant Clearing System;

**"New Note Ratio"** the ratio specified as such in the applicable Reverse Split Notice;

**"New Notes"** means a new series of Notes issued by the Issuer with terms identical to the Notes save that the Bear Note Value or Bull Note Value, as the case may be, will be consolidated to reflect the economic effect of the Reverse Split as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

**"Post Reverse Split Cash Amount"** means, in respect of a Holding of Notes, the cash adjustment amount

calculated by the Calculation Agent to reflect the economic effect of the Reverse Split acting in good faith and in a commercially reasonable manner;

**"Post Reverse Split Note Amount"** means, in respect of a Holding of Notes, an amount equal to the product of (a) the amount of Notes in such Holding of Notes immediately prior to such cancellation and (b) the New Note Ratio;

**"Reverse Split Event"** means that the Reverse Split Value is (a) "less than" or (b) "less than or equal to", as specified in the applicable Final Terms, the Reverse Split Level, (x) on a Reverse Split Valuation Date or (y) on any Reverse Split Valuation Day during the Reverse Split Valuation Period, as specified in the applicable Final Terms;

**"Reverse Split Level"** means the number, amount, level or percentage specified as such in the applicable Final Terms;

**"Reverse Split Valuation Date"** means any Relevant Business Day (as such term is defined in Formulas Condition 1.1 (hh));

**"Reverse Split Valuation Period"** means the period specified as such in the applicable Final Terms; and

**"Reverse Split Value"** means, in respect of a Note and a Relevant Business Day, the Bear Note Value or Bull Note Value, as the case may be, in respect of such Note on such a Relevant Business Day.

This Base Condition 8.10 does not apply to CREST Dematerialised Notes.

## 9. REDEMPTION BY INSTALMENTS

If the applicable Final Terms specify that the Notes are Instalment Notes, each Note will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

If the applicable Final Terms specify that the Instalment Notes are Instalment Notes (with NA Adjustment), each Note will be redeemed (i) in part by payment of the Instalment Amount on the Instalment Date and (ii) with final redemption being made pursuant to Base Condition 8.1 (*Maturity Date*) and Base Condition 8.2 (*Cash Settlement*). The Instalment Amount in respect of the Instalment Date will be an amount calculated by the Calculation Agent equal to the product of the Nominal Amount immediately prior to the Instalment Date and the Instalment Percentage specified in the applicable Final Terms. Following the Instalment Date, the Nominal Amount shall be reduced by the Instalment Amount and all calculations and determinations in respect of the Notes shall be made on the basis of the Nominal Amount as so reduced.

## 10. PAYOUT SWITCH

10.1. If Payout Switch is specified as applicable in the applicable Final Terms (i) if Payout Switch Election is specified as applicable in the applicable Final Terms, the Issuer may elect that or (ii) if Automatic Payout Switch is specified as applicable in the applicable Final Terms and an Automatic Payout Switch Event occurs, the Final Payout for the Notes will be amended (including any relevant Underlying Reference(s) as

applicable) (a "**Payout Switch**") from the Final Payout specified in the Final Terms to the Switched Payout specified in the applicable Final Terms on and after the Payout Switch Date specified in the applicable Final Terms. With reference to the point (i) above, the Issuer may elect to exercise the Payout Switch only once and, with reference to point (ii) above, the Payout Switch may occur only once, upon the occurrence for the first time of the Automatic Payout Switch Event. Notice of any Payout Switch will be given to Noteholders in accordance with Base Condition 16 (*Notices*).

"**Automatic Payout Switch Event**" means that:

- (i) the MFP APS Value is (a) "greater than", (b) "equal to or greater than", (c) "less than" or (d) "less than or equal to", as specified in the applicable Final Terms, the Automatic Payout Switch Level, (x) on a MFP APS Valuation Date or (y) in respect of a MFP APS Valuation Period, as specified in the applicable Final Terms;
- (ii) if MFP Digital Coupon or MFP Memory Snowball Digital Coupon is specified in the applicable Final Terms and Target Switch Payout is specified as applicable in the applicable Final Terms, the number of times the Digital Coupon Condition or the MFP Memory Snowball Digital Coupon Condition, as the case may be, has been satisfied is equal to or greater than the Automatic Payout Switch Level as of an MFP APS Valuation Date;

"**Automatic Payout Switch Level**" means the number, amount, level or percentage specified as such in the applicable Final Terms;

"**MFP APS Value**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**MFP APS Valuation Date**" means each Averaging Date, Pricing Date, Calculation Date, Underlying Interest Determination Date, Settlement Price Date and/or each day, all specified as such in the applicable Final Terms; and

"**MFP APS Valuation Period**" means each period specific as such in the applicable Final Terms.

## 11. EARLY REDEMPTION AMOUNTS

- (a) If Highest Value is specified as applicable in the applicable Final Terms, the greater of the fair market value of a Note or, as the case may be, Redeemed Amount (notwithstanding any illegality (if applicable) and taking into account any Additional Disruption Event, Optional Additional Disruption Event, Index Adjustment Event, Non-Commencement or Discontinuance of an Exchange-traded Contract, Extraordinary Event, Commodity Index Adjustment Event, Market Disruption Event, Index Cancellation, Extraordinary Fund Event, or Futures Adjustment Event as the case may be) and the Protected Amount specified in the



applicable Final Terms or, as the case may be, proportionate share of such Protected Amount, provided that, (x) no costs shall be deducted from such amount and (y) such amount shall include the reimbursement by the Issuer, *pro rata* (calculated from the early redemption date or, as the case may be, partial redemption date, notified to the Noteholders until the scheduled Maturity Date of the Note), of any costs or, as the case may be, proportionate share of such costs, (including but not limited to any structuring costs) paid by Noteholders to the Issuer in the Issue Price of the Notes, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption or, as the case may be, notice of partial redemption;

- (b) if Market Value is specified as applicable in the applicable Final Terms, the fair market value of a Note or, as the case may be, Redeemed Amount (notwithstanding any illegality (if applicable) and taking into account any Additional Disruption Event, Optional Additional Disruption Event, Index Adjustment Event, Non-Commencement or Discontinuance of an Exchange-traded Contract, Extraordinary Event, Commodity Index Adjustment Event, Market Disruption Event, Index Cancellation, Extraordinary Fund Event, or Futures Adjustment Event, as applicable) calculated (x) without taking account of any costs and no costs shall be deducted from such amount, and (y) including the reimbursement by the Issuer, *pro rata* (calculated from the early redemption date or, as the case may be, partial redemption date notified to the Noteholders until the scheduled Maturity Date of the Notes), of any costs or, as the case may be, proportionate share of such costs (including but not limited to any structuring costs) paid by Noteholders to the Issuer in the Issue Price of the Notes, such an amount to be paid to the Noteholders on the date notified in the notice of early redemption or, as the case may be, notice of partial redemption;
- (c) if Monetisation Option is specified as applicable in the applicable Final Terms:
  - (i) the Monetisation Amount (as defined below), such amount to be paid by the Issuer (notwithstanding the notice of early redemption) on the Maturity Date; or
  - (ii) if the Noteholder duly elects to receive the fair market value, as provided below, the Market Value calculated in accordance with Condition 20 (b) of such Note, such amount to be paid by the Issuer on the date fixed for early redemption, as notified to the Noteholders.

In the Issuer's notice of early redemption, the Issuer must include the following:

- (i) the cut-off date and time for each Noteholders to elect to receive the fair market value on the date fixed for early redemption;
- (ii) the date of determination for the fair market value in respect of such election and the amount determined by the Calculation Agent as the fair market value of the Notes on such date; and
- (iii) the amount calculated by the Calculation Agent as the Monetisation Amount.

If the Note held through Euroclear or Clearstream, Luxembourg, ESM, and/or any other relevant Clearing System, other than in the case of CREST Dematerialised Notes, to make a valid election to receive the

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Market Value on early redemption of the Note the Noteholder of the Note must no later than the cut-off date and time set out in the Issuer's notice of early redemption give notice to the Issuer and the Paying Agent in accordance with the standard procedures Euroclear and Clearstream, Luxembourg, ESM and/or any other relevant Clearing System (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg, ESM and/or any other relevant Clearing System or any common depository for them to the Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg, ESM and/or any other relevant Clearing System from time to time. Notice given by a Noteholder pursuant to this Base Condition 11 (*Early Redemption Amounts*) shall be irrevocable.

If the Notes are CREST Dematerialised Notes, to make a valid election to receive the Market Value on early redemption of the Note, the Holder of the Notes must no later than the cut-off time and date set out in the Issuer's notice of early redemption give notice to the Euroclear Registrar in accordance with the Uncertificated Securities Regulations.

If the Noteholder does not make a valid election to receive the fair market value on the date fixed for early redemption before the cut-off date and time set out in the Issuer's notice of early redemption, the Noteholder will receive the Monetisation Amount in respect of such Note on the Maturity Date.

For the purposes of this Base Condition 11(c):

"**Monetisation Amount**" means, in respect of a Note, an amount equal to the greater of the Protected Amount specified in the applicable Final Terms and the amount calculated by the Calculation Agent as follows:

$$(S + D) \times (1 + r)^n$$

where:

"**S**" is the present value of the Protected Amount of such Note on the date on which the event triggering early redemption occurs;

"**D**" is the market value of the Derivative Component on the date on which the event triggering early redemption occurs;

"**r**" is a hypothetical annual interest rate that would be applied on an equivalent hypothetical debt instrument issued by the Issuer (or the Guarantor, as applicable) with the same time to redemption as the remaining time to redemption on the Note from the date fixed for early redemption until the scheduled redemption date of the Notes;

"**n**" is the time remaining until the scheduled redemption date of the Notes, expressed as a number of years; and

"**Derivative Component**" means the option component or embedded derivative in respect of the Note or the interest amount due under the Note in order to enable the Issuer to issue the Note at the issue price and

on their applicable terms. The value of the Derivative Component will be determined by the Calculation Agent, taking into account a number of factors, including, but not limited to:

- (a) market prices or values for the underlying reference asset(s) or basis (bases) and other relevant economic variables (such as interest rates; dividend rates; financing costs; the value, price or level of any relevant underlying reference asset(s) or basis (bases) and any futures or options relating to any of them; the volatility of any relevant underlying reference asset(s) or basis (bases); and exchange rates (if applicable);
- (b) the time remaining until the scheduled redemption date of the Notes;
- (c) internal pricing models; and
- (d) prices at which other market participants might bid for the Derivative Component.

## 12. PHYSICAL DELIVERY CONFIRMATION NOTICES AND SETTLEMENT

### 12.1. *Physical Delivery Confirmation Notice Requirement*

In the case of Physical Delivery Notes, where “Physical Settlement according to Base Condition 12.1” is specified as applicable in the applicable Final Terms, in order to obtain delivery of the Entitlement the relevant Noteholder (acting through the relevant ESM Accountholder, in case of Italian Dematerialised Notes) must (i) except in the case of CREST Dematerialised Notes, deliver or send by authenticated swift message (confirmed in writing) to the relevant Clearing System(s) with a copy to the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Notes) and the relevant Issuer not later than 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Maturity Date a duly completed physical delivery confirmation notice (a “**Physical Delivery Confirmation Notice**”) in the form set out in the Issue and Paying Agency Agreement (copies of which form may be obtained from the relevant Clearing System(s) or the Paying Agents) in accordance with the provisions set out in this Base Condition and (ii) in the case of CREST Dematerialised Notes, deliver or send by authenticated swift message (confirmed in writing) to the Euroclear Registrar (in a form acceptable thereto) a Physical Delivery Confirmation Notice (in the form set out in the Euroclear Agreement, copies of which form may be obtained from the Euroclear Registrar) in accordance with the provisions set out in this Base Condition) with a copy to the relevant Issuer not later than the close of business in the place of receipt on the Maturity Date. If the relevant Note is in definitive form, such Note must be delivered, together with the Physical Delivery Confirmation Notice, to the relevant Issuer and with a copy to the Fiscal Agent.

- (a) The Physical Delivery Confirmation Notice shall:
  - (i) specify the series of the Notes and the number of Notes the subject of such Physical Delivery Confirmation Notice;
  - (ii) except in the case of Definitive Notes and CREST Dematerialised Notes, specify the number of the Noteholder's account (or of the relevant ESM Accountholder's account, in case of Italian Dematerialised Notes) at the relevant Clearing System(s) to be debited with the Notes the subject of

such Physical Delivery Confirmation Notice;

- (iii) except in the case of Definitive Notes and CREST Dematerialised Notes, irrevocably instruct the relevant Clearing System(s) to debit on or before the Maturity Date the Noteholder's account (or of the relevant ESM Accountholder's account, in case of Italian Dematerialised Notes) with the Notes the subject of such Physical Delivery Confirmation Notice;
- (iv) (a) except in the case of CREST Dematerialised Notes, include an undertaking to pay all Expenses and, except in the case of Definitive Notes, an authority to the relevant Clearing System(s) to debit a specified account of the Noteholder (or the account of the relevant ESM Accountholder, in case of Italian Dematerialised Notes) at the relevant Clearing System(s) in respect thereof or (b) in the case of CREST Dematerialised Notes, specify the cash memorandum account of the Holder (as shown in the records of the Operator) from which the Expenses will be paid to the Euroclear Registrar's account with the Operator against delivery of the Entitlement and irrevocably agree to deliver such instructions to the Operator as may be requested by the Euroclear Registrar to give effect to the relevant delivery and payments specified above;
- (v) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Noteholder's account (or the account of the relevant ESM Accountholder, in case of Italian Dematerialised Notes) with the relevant Clearing System(s) or, in the case of a Definitive Note, at a bank in the principal financial centre of the relevant Settlement Currency, or in the case of CREST Dematerialised Notes, specify the cash memorandum account of the Holder (as shown in the records of the Operator), to be credited with any cash payable by the relevant Issuer either, in respect of any amounts payable pursuant to Credit Linked Note Condition 4 (*First-to-Default Credit Linked Notes and Nth-to-Default Credit Linked Notes*), either in respect of any other cash amount constituting the Entitlement or any cash adjustment amount paid in lieu of fractions of the Relevant Asset or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the relevant Issuer electing to pay the Settlement Disruption Amount or Failure to Deliver Cash Settlement Price, as the case may be; as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount;
- (vi) in the case of Currency Linked Notes only, except in the case of CREST Dematerialised Notes, specify the number of the Noteholder's account (or of the account of the relevant ESM Accountholder, in case of Italian Dematerialised Notes) at the relevant Clearing System(s) or, in the case of a Definitive Note, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with the amount due upon exercise of the Notes or in the case of CREST Dematerialised Notes, specify the cash memorandum account of the Holder as shown in the records of the Operator to be credited with the amount due upon redemption of the Notes;
- (vii) certify, *inter alia*, that the beneficial owner of each Note the subject of such Physical Delivery

Confirmation Notice is not a U.S. person (as defined in the Physical Delivery Confirmation Notice), the Note was not held on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States as may be required; and

- (viii) authorise the production of the Physical Delivery Confirmation Notice in any applicable administrative or legal proceedings,

all as provided in the Issue and Paying Agency Agreement or (in the case of CREST Dematerialised Notes), the Euroclear Agreement.

- (b) If Base Condition 4.3 (*Issuer's Option to Vary Settlement*) applies, the form of Physical Delivery Confirmation Notice required to be delivered may be different from that set out above. Copies of such Physical Delivery Confirmation Notice may be obtained from the relevant Clearing System(s) and the Paying Agents or the Euroclear Registrar, as the case may be.
- (c) Where “Alternative Physical Settlement” is specified as applicable in the applicable Final Terms, the provisions of this Base Condition 12.1 will not apply to the relevant Notes and the manner in which the Issuer will deliver the relevant Entitlement and pay the cash adjustment and the dividends, if any, provided under Base Condition 8.3, will be indicated in the applicable Final Terms.

#### 12.2. *Verification of the Noteholder*

This Base Condition 12.2 only applies where “Physical Settlement according to Base Condition 12.1” is specified as applicable in the applicable Final Terms.

Except in the case of a Physical Delivery Confirmation Notice submitted in respect of a Definitive Note, and except in case of CREST Dematerialised Notes, upon receipt of a Physical Delivery Confirmation Notice, the relevant Clearing System(s) shall verify that the person exercising the Notes (including the relevant ESM Accountholder, in case of Italian Dematerialised Notes) is the holder thereof according to the books of the relevant Clearing System(s). Subject thereto, the relevant Clearing System(s) will confirm to the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Notes) the series and the number of Notes being exercised and the details for the delivery of the Entitlement in respect of each Note the subject of the relevant Physical Delivery Confirmation Notice. Upon receipt of such confirmation, the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Notes) will inform the relevant Issuer thereof. The relevant Clearing System(s) will on or before Delivery Date or (in the case of Credit Linked Notes) the Delivery Date (as defined in the Credit Linked Note Conditions) debit the account of the relevant Noteholder (or the account of the relevant ESM Accountholder, in case of Italian Dematerialised Notes) with the Notes the subject of the relevant Physical Delivery Confirmation Notice.

In the case of CREST Dematerialised Notes, upon receipt of an Physical Delivery Confirmation Notice, the Euroclear Registrar shall verify that the person delivering the Physical Delivery Confirmation Notice is the Holder

of the related CREST Dematerialised Notes (described therein) according to the Record maintained by the Euroclear Registrar. Subject thereto, the Euroclear Registrar will confirm the series number and number of Notes the subject of such notice, the relevant account details (if applicable) and the details for the delivery of the Entitlement of each Note. Upon receipt of such confirmation, the Euroclear Registrar will inform the relevant Issuer. The Euroclear Registrar will, on or before the Delivery Date or (in the case of Credit Linked Notes) the Delivery Date (as defined in the Credit Linked Note Conditions), amend the Record.

### 12.3. *Cash Settled Notes*

Except in the case of CREST Dematerialised Notes, subject as provided in this Base Condition 12 (*Physical Delivery Confirmation Notices and Redemption*), the relevant Issuer shall pay or cause to be paid (if any) the Final Redemption Amount, the Optional Redemption Amount (Call) or the Optional Redemption Amount (Put), as the case may be, or the relevant amount (if any) payable under the Credit Linked Note Conditions (including, for avoidance of doubt the relevant amounts payable according to Credit Linked Note Condition 2(b) (*Redemption following Event Determination Date*) upon occurrence of an Event Determination Date) (or in the case of Instalment Notes, each Instalment Amount) for each Note by credit or transfer to the Noteholder's account with the relevant Clearing System(s), or in case of Italian Dematerialised Notes, according to the instructions of ESM, to the accounts of the relevant ESM Accountholder, for value on the Maturity Date (or (a) in the case of Issuer Call Option or Noteholders Put Option, on the relevant Optional Redemption Valuation Date; or (b) in the case of Instalment Notes, on the relevant Instalment Date; or (c) in the case of Credit Linked Notes, on the Credit Linked Note Maturity Date or the Event Determination Date, as the case may be, (as defined in the Credit Linked Note Conditions)), less any Expenses not already paid, such payment to be made in accordance with the rules of the relevant Clearing System(s).

Except in the case of CREST Dematerialised Notes, where the Notes pay Interest Amount(s), the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount(s) for each Note in respect of each Interest Payment Date by credit or transfer to the Noteholder's account with the relevant Clearing System(s), or in case of Italian Dematerialised Notes, according to the instructions of ESM, to the accounts of the relevant ESM Accountholder, for value on the relevant Interest Payment Date, such payment to be made in accordance with the rules of such Clearing System.

Except in the case of CREST Dematerialised Notes, the Issuer's obligations will be discharged by payment to, or to the order of, the relevant Clearing System(s) of the amount so paid or in case of Italian Dematerialised Notes, by payment to the relevant ESM Accountholders indicated by ESM of the amount so paid. With reference to all Notes, excluding the Italian Dematerialised Notes, each of the persons shown in the records of the relevant Clearing System(s) as the holder of a particular amount of the Notes must look solely to the relevant Clearing System(s) for his share of each such payment.

In the case of CREST Dematerialised Notes and subject as provided below, the Euroclear Registrar shall pay or cause to be paid the Final Redemption Amount (if any), the relevant amount (if any) payable under the Credit Linked Note Conditions, Instalment Amount (if any) and the Interest Amount (if any) in respect of CREST Dematerialised Notes to the relevant Holder's cash account (as shown in the records of the Operator), such payment to be made in accordance with the rules of the Operator. Payments in respect of CREST Dematerialised Notes will

be discharged by payment (as shown in the records of the Operator) to the cash account of the relevant Holder.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

#### 12.4. *Physical Delivery Notes*

Where “Physical Settlement according to Base Condition 12.1” is specified as applicable in the applicable Final Terms, subject to payment of any Expenses with regard to the relevant Notes, the relevant Issuer shall, on the Maturity Date (such date, subject to adjustment in accordance with Condition 21.5, the "**Delivery Date**") or (in the case of Credit Linked Notes) the Delivery Date (as defined in the Credit Linked Note Conditions), deliver, or procure the delivery of, the Entitlement for each Note in respect of which a valid Physical Delivery Confirmation Notice has been delivered as provided in Base Condition 12.1 (*Physical Delivery Confirmation Notice Requirements*) pursuant to the details specified in the Physical Delivery Confirmation Notice, subject as provided in Base Condition 4.3 (*Issuer's Option to Vary Settlement*). The Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

Where “Physical Settlement according to Base Condition 12.1” is specified as applicable in the applicable Final Terms, in the event that no valid Physical Delivery Confirmation Notice has been duly delivered at or prior to 10.00 a.m. (Brussels or Luxembourg time, as the case may be) or by the close of business in the place of receipt (in the case of CREST Dematerialised Notes) on the Maturity Date, the provisions of Base Condition 12.7 (*Failure to deliver a Physical Delivery Confirmation Notice*) below shall apply.

Where “Alternative Physical Settlement” is specified as applicable in the applicable Final Terms, subject to payment of any Expenses with regard to the relevant Notes, the relevant Issuer shall, on Delivery Date or (in the case of Credit Linked Notes) the Delivery Date (as defined in the Credit Linked Note Conditions), deliver, or procure the delivery of, the Entitlement for each relevant Note in the manner specified in the relevant Final Terms, subject as provided in Base Condition 4.3 (*Issuer's Option to Vary Settlement*).

#### 12.5. *Determinations and Delivery*

This Base Condition 12.5 only applies where “Physical Settlement according to Base Condition 12.1” is specified as applicable in the applicable Final Terms.

Any determination as to whether a Physical Delivery Confirmation Notice is duly completed and in proper form shall be made by the Fiscal Agent, or the Italian Paying Agent (in case of Italian Dematerialised Notes), or the Euroclear Registrar (in the case of CREST Dematerialised Notes) and shall be conclusive and binding on the relevant Issuer, the Guarantor (if any), the Paying Agents, the Euroclear Registrar (if applicable), the Calculation Agent and the relevant Noteholder. Subject as set out below, any Physical Delivery Confirmation Notice so determined to be incomplete or not in proper form or which is not duly delivered to the relevant Clearing System(s) and copied to the relevant Issuer and the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Notes), or the Euroclear Registrar (if applicable) (or, in the case of Definitive Notes, which is not duly delivered to the relevant Issuer together with the relevant Definitive Note(s) and copied to the Fiscal Agent) shall be null and void.

If such Physical Delivery Confirmation Notice is subsequently corrected to the satisfaction of the relevant Clearing System(s) or the Euroclear Registrar (if applicable), (other than in the case of CREST Dematerialised Notes) in consultation with the relevant Issuer and the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Notes) (or, in the case of Definitive Notes, to the satisfaction of the relevant Issuer in consultation with the Fiscal Agent), it shall be deemed to be a new Physical Delivery Confirmation Notice submitted at the time such correction was delivered to the relevant Clearing System(s) and copied to the relevant Issuer and the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Notes) (or, in the case of Definitive Notes, to the relevant Issuer and copied to the Fiscal Agent) (or in the case of CREST Dematerialised Notes, to Euroclear Registrar and copied to the relevant Issuer).

The relevant Clearing System(s) (or, in the case of Definitive Notes, the relevant Issuer) (or, the Euroclear Registrar, as the case may be), shall use its best efforts promptly to notify the Noteholder (or the relevant ESM Accountholder, in case of Italian Dematerialised Notes) submitting a Physical Delivery Confirmation Notice if, in consultation with the relevant Issuer and/or the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Notes) (as applicable), it has determined that such Physical Delivery Confirmation Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the relevant Issuer, the Guarantor (if any), the Paying Agents, the relevant Clearing System(s), the Euroclear Registrar and the Calculation Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Noteholder.

*12.6. Delivery of a Physical Delivery Confirmation Notice*

This Base Condition 12.6 only applies where “Physical Settlement according to Base Condition 12.1” is specified as applicable in the applicable Final Terms.

No Physical Delivery Confirmation Notice may be withdrawn after receipt thereof by the relevant Clearing System, or the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Notes) or the Euroclear Registrar (in the case of CREST Dematerialised Notes), as the case may be, as provided above. After the delivery of a Physical Delivery Confirmation Notice, the relevant Noteholder may not transfer Notes the subject of such notice.

*12.7. Failure to deliver a Physical Delivery Confirmation Notice*

This Base Condition 12.7 only applies where “Physical Settlement according to Base Condition 12.1” is specified as applicable in the applicable Final Terms.

Provided that the relevant Notes are not Definitive Notes, in which case the provisions of Base Condition 12.8 (*Settlement provisions for Definitive Notes*) will apply, the Issuer shall have no obligation to make delivery of the Entitlement in respect of such Note unless and until a duly completed Physical Delivery Confirmation Notice is delivered as provided above. If the duly completed Physical Delivery Confirmation Notice is delivered after 10.00 a.m. (Brussels or Luxembourg time, as the case may be), or after the close of business in the place of receipt (in the case of CREST Dematerialised Notes) on the Maturity Date, delivery of such Entitlement shall be made as soon as possible thereafter but not earlier than the Maturity Date.



For the avoidance of doubt, the relevant holder of a Note shall not be entitled to any additional or further payment by reason of the delivery of the Entitlement in respect of such Note occurring after the Maturity Date as a result of such Physical Delivery Confirmation Notice being delivered after 10.00 a.m. (Brussels or Luxembourg time, as the case may be), or after the close of business in the place of receipt (in the case of CREST Dematerialised Notes), on the Maturity Date.

12.8. *Redemption provisions for Definitive Notes*

In the event that any Definitive Notes have been issued prior to the Maturity Date, the relevant Issuer shall, on or prior to the Maturity Date, notify Noteholders in accordance with Base Condition 16 (*Notices*) of the procedure to be followed in order to receive any Final Redemption Amount that may be payable upon redemption of the Notes.

12.9. *Redemption Risk*

Redemption of the Notes is subject to all applicable laws, regulations and practices in force on the Maturity Date and none of the relevant Issuer, the Guarantor (if any), or any of their Affiliates, the Paying Agents, the Euroclear Registrar and the Calculation Agent shall incur in any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the relevant Issuer, the Guarantor (if any), any of their Affiliates, the Paying Agents, the Euroclear Registrar and the Calculation Agent shall under any circumstances be liable for any acts or defaults of the relevant Clearing System(s) in relation to the performance of their duties in relation to the Notes.

**13. ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS**

13.1. *Definitions*

"**Additional Disruption Event**" means each of Change in Law and Hedging Disruption, unless otherwise specified in the applicable Final Terms;

"**Administrator/Benchmark Event**" means the Calculation Agent determines that:

- (i) a Benchmark Modification or Cessation Event has occurred or will occur;
- (ii) any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of a relevant Benchmark or the administrator or sponsor of a relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the Issuer or the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the relevant Benchmark to perform its or their respective obligations under the Notes; or
- (iii) it is not commercially reasonable to continue the use of a relevant Benchmark in connection with the Notes from the perspective of the Issuer or the Calculation Agent or the Issuer or the Calculation Agent suffers or will suffer an increased cost, in each case, as a result of any applicable licensing restrictions or changes in the cost of obtaining or maintaining any relevant licence (including, without limitation, where the Issuer,

the Calculation Agent or any other entity is required to hold a valid licence in order to issue or perform its obligations in respect of the Notes and for any reason such licence is either not obtained, not renewed or is revoked or there is a material change in the cost of obtaining or renewing such licence);

**"Applicable Banking Regulations"** means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the Republic of Italy, including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Relevant Authority (as defined below) whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and including, for avoidance of doubt, as at the Issue Date the rules contained in, or implementing, CRD IV);

**"Benchmark"** means any figure, value, level or rate which is a benchmark as defined in BMR and where any amount payable or deliverable under the Notes, or the value of the Notes, is determined by reference in whole or in part by reference to such figure, value, level or rate, all as determined by the Calculation Agent;

**"Benchmark Modification or Cessation Event"** means, in respect of the Benchmark any of the following has occurred or will occur:

- (i) any material change in such Benchmark; or
- (ii) the permanent or indefinite cancellation or cessation in the provision of such Benchmark;

**"BMR"** means the EU Benchmarks Regulation (Regulation (EU) 2016/1011) (the **"EU BMR"**) and the EU BMR as it forms part of the domestic law in the United Kingdom by virtue of the European Union (Withdrawal Act) 2018 (the **"UK BMR"**);

**"BRRD"** means the directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms;

**"Cancellation Event"** means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Notes;

**"Change in Law"** means that, on or after the Issue Date (as specified in the applicable Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines acting in good faith and in a commercially reasonable manner that:

- (a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Linked Notes), any relevant hedge position relating to a Debt

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Instrument (in the case of Debt Linked Notes), any relevant hedge position relating to a Share (in the case of Share Linked Notes), any relevant hedge position relating to an ETI Interest (in the case of ETI Linked Notes), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Linked Notes) or any relevant hedge position relating to a Fund Share (in the case of Fund Linked Notes) (each a "**Hedge**"); or

- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency, regulatory or capital requirements) in maintaining the Notes in issue or, unless Hedge Maintenance Cost is specified as not applicable in the applicable Final Terms, in holding, acquiring or disposing of any Hedge;

"**CRD IV**" means the CRD IV Directive, the CRR and any CRD IV Implementing Measure;

"**CRD IV Directive**" means the directive 2013/36 of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC;

"**CRD IV Implementing Measure**" means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Bank of Italy, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a standalone basis) or the Issuer together with its consolidated subsidiaries (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a standalone or consolidated basis);

"**CRR**" means the Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation No. 648/2012;

"**Currency Event**" means that, on or after the Issue Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt Instruments (for the purposes of hedging the Issuer's obligations under the Notes) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Notes;

"**Extraordinary External Event**" means that, on or after the Issue Date, the performance of the Issuer's obligations under the Notes is prevented or materially hindered or delayed due to:

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive,

interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or

- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates, of all or substantially all of its assets in the Local Currency jurisdiction;

**"Failure to Deliver due to Illiquidity"** means, following the exercise of Physical Delivery Notes, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **"Affected Relevant Assets"**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets;

**"Government Authority"** means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

**"Hedging Disruption"** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Notes;

**"Hedging Party Default"** means any hedging counterparty in respect of the Notes announces its inability to meet its financial obligations, ceases its payments or a court in its jurisdiction of incorporation opens insolvency proceedings against it and the Issuer or the Guarantor is unable to replace such hedging counterparty on terms acceptable to the Issuer or the Guarantor, as the case may be;

**"Hedging Shares"** means the number of components comprised in an Index (in the case of Index Linked Notes) or the number of Shares (in the case of Share Linked Notes) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes;

**"Increased Cost of Hedging"** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract on any Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Linked Notes) or, in respect of any Debt Linked Notes, any

relevant hedge positions relating to a Debt Instrument, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Debt Linked Notes, any relevant hedge positions relating to a Debt Instrument, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

**"Increased Cost of Stock Borrow"** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any component security comprised in an Index (in the case of Index Linked Notes) or any Share (in the case of Share Linked Notes) that is greater than the Initial Stock Loan Rate;

**"Initial Stock Loan Rate"** means, in respect of a component security comprised in an Index (in the case of Index Linked Notes) or a Share (in the case of Share Linked Notes), the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

**"Insolvency Filing"** means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

**"Italian Bail-in Power"** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period).

**"Jurisdiction Event"** means that, on or after the Issue Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or, unless Hedging Arrangements is specified as not applicable in the applicable Final Terms, any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations:

- (a) under the Notes; or
- (b) unless Hedging Arrangements is specified as not applicable in the applicable Final Terms, in respect of any relevant hedging arrangements in connection with the Notes (including, without limitation, any purchase,

sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Notes),

or the costs of so doing would (in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

**"Loss of Stock Borrow"** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Linked Notes) or any Share (in the case of Share Linked Notes) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

**"Luxembourg Bail-in Power"** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Luxembourg, (i) relating to the transposition of the BRRD (including, but not limited to, the Luxembourg law of 18 December 2015 *relative aux mesures de résolution, d'assainissement et de liquidation des établissements de crédit et de certaines entreprises d'investissement ainsi qu'aux systèmes de garantie des dépôts et d'indemnisation des investisseurs*, as amended from time to time (the **"Luxembourg BRRD Law"**)), (ii) relating to the SRM Regulation or (iii) otherwise arising under Luxembourg law and (iv) in each case, the instruments, rules and standards created thereunder, pursuant to which certain eligible liabilities of a regulated entity or other affiliate of such regulated entity can be reduced, cancelled, modified, or converted into equity or other types of capital instruments of such regulated entity or any other person (or suspended for a temporary period) and any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. For this purpose, a reference to a "regulated entity" is to any institution or entity (which includes certain credit institutions, investment firms, and certain of their group companies) referred to in points (1), (2), (3) or (4) of Article 2(1) of the Luxembourg BRRD Law, and with respect to the SRM Regulation to any entity referred to in Article 2 of the SRM Regulation;

**"Maximum Stock Loan Rate"** means in respect of a component security comprised in an Index (in the case of Index Linked Notes) or a Share (in the case of Share Linked Notes), the Maximum Stock Loan Rate specified in the applicable Final Terms;

**"Optional Additional Disruption Event"** means any of Administrator/Benchmark Event, Cancellation Event, Currency Event, Failure to Deliver due to Illiquidity, Extraordinary External Event, Hedging Party Default, Increased Cost of Hedging, Increased Cost of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow, Stop-Loss Event and/or Significant Alteration Event, in each case if specified in the applicable Final Terms;

**"Protected Amount"** means the amount specified as such in the applicable Final Terms;

“**Relevant Authority**” means (i) in respect of Italy, the European Central Bank, the Bank of Italy, or any successor authority having responsibility for the prudential supervision of the Issuer or the Group within the framework of the Single Supervisory Mechanism set out under Council Regulation (EU) No. 1024/2013 and in accordance with the Applicable Banking Regulations and/or, as the context may require, the Italian resolution authority, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Italy or in the European Union entitled to exercise or participate in the exercise of the Italian Bail-in Power or having primary responsibility for the prudential oversight and supervision of Mediobanca from time to time; and (ii) in respect of Luxembourg, the *Commission de Surveillance du Secteur Financier*, acting in its capacity as resolution authority within the meaning of Article 3(1) of the BRRD, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Luxembourg or in the European Union entitled to exercise or participate in the exercise of the Luxembourg Bail-in Power from time to time;

“**Significant Alteration Event**” means the occurrence after the Issue Date of any event or combination of events or circumstances that are not attributable to the Issuer that significantly alters the economics of the Notes compared to the economics as of the Issue Date, but do not render performance of the Issuer’s obligations under the Notes impossible;

“**SRM Regulation**” means the Regulation (EU) No.806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Supervisory Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or superseded from time to time;

“**Stop-Loss Event**” means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Issue Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent; and

“**Suspension/Withdrawal Event**” means, in respect of the Benchmark:

- (i) the relevant competent authority or other relevant official body suspends or withdraws or will suspend or withdraw any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Benchmark or the administrator or sponsor of the Benchmark which is required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes; or
- (ii) the Benchmark or the administrator or sponsor of the Benchmark is or will be removed from any official register where inclusion in such register is or will be required under any applicable law in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is or will be suspended or where inclusion in any

official register is or will be withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Benchmark is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension or withdrawal.

13.2. If an Additional Disruption Event and/or an Optional Additional Disruption Event are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer may take the action described in (a) or, if applicable, (b) or (c), as the case may be, below:

- (a) require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Redemption Price and/or the Weighting and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment. In the case of an Administrator/Benchmark Event, such adjustment may (i) consist of one or more amendments and/or be made on one or more dates, (ii) be determined by reference to any adjustment(s) in respect of the relevant event or circumstance in relation to any hedging arrangements in respect of the Notes and (iii) include, without limitation, selecting a successor benchmark(s) and making related adjustments to the Conditions of the Notes including, where applicable, and unless Unwind Costs is specified as not applicable, to reflect any increased costs of the Issuer providing such exposure to the successor benchmark(s) and, in the case of more than one successor benchmark, making provision for allocation of exposure as between the successor benchmarks;
- (b)
  - (i) unless Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, Highest Value, Market Value or Monetisation Option are specified in the applicable Final Terms, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes, each Note being redeemed by payment to each Noteholder in respect of each Note held by him, of an amount equal to the fair market value of such Note, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
  - (ii) if Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Calculated Additional Disruption Amount**”) as soon as practicable following the occurrence of the Additional Disruption



Event and/or Optional Additional Disruption Event (the “**Calculated Additional Disruption Amount Determination Date**”) and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer’s funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms); or

- (iii) if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), settle all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a); or
  - (iv) if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*) redeem all, but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or
  - (v) if Monetisation Option is specified in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay an amount to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c); or
- (c) in the case of Share Linked Notes linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a “**Substitute Share**”) for each Share (each an “**Affected Share**”) which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a “**Share**” and the relevant issuer of such shares a “**Basket Company**” for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Notes are Physical Delivery Notes) and/or the Weighting and/or Redemption Price and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the initial price of the Affected Share, the initial price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{initial price} = A \times (B/C)$$

where:

“**A**” is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Valuation Date;

"B" is the initial price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Valuation Date.

"**Substitution Valuation Date**" is the date selected as such by the Calculation Agent acting in good faith and in a commercially reasonable manner and specified in the notice referred to below.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") acting in good faith and in a commercially reasonable manner and specified in the notice referred to below which may, but need not, be the relevant date of the Additional Disruption Event and/or Optional Additional Disruption Event.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which the Calculation Agent determines, acting in good faith and in a commercially reasonable manner:

- (i) is not already included in the Basket of Shares;
- (ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided elsewhere in the Conditions as completed by the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Maturity Date in accordance with Base Condition 8.3 (*Physical Settlement*); and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election (such notice a "**Failure to Deliver Notice**") is given to the Noteholders in accordance with Base Condition 16 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*).

For the purposes hereof:

"**Failure to Deliver Settlement Price**" means, in respect of each nominal amount of the Notes equal to the Nominal Amount, the fair market value of the Affected Relevant Assets in respect of such Notes on the fifth

Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event and/or Optional Additional Disruption Event.

#### **14. KNOCK-IN EVENT AND KNOCK-OUT EVENT**

- 14.1. If “Knock-in Event” is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Notes which is expressed in the Conditions to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- 14.2. If “Knock-out Event” is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Notes which is expressed in the Conditions to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 14.3. In respect of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes and Futures Linked Notes, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Notes other than Debt Linked Notes, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Debt Linked Notes, a Market Disruption Event, as applicable, is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date” for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.
- 14.4. In respect of Commodity Linked Notes or Currency Linked Notes, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-

in Determination Day or Knock-out Determination Day is a Commodity Disrupted Day or a Disrupted Day, as applicable, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such day being a Commodity Disrupted Day or a Disrupted Day, as the case may be or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

- 14.5. In respect of Notes other than Debt Linked Notes, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes and Futures Linked Notes, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Linked Notes, a Disruption Event or (c) in the case of Commodity Linked Notes, a Market Disruption Event, in each case occurs or exists, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, Disruption Event or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Notes other than Commodity Linked Notes or Currency Linked Notes, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.
- 14.6. In respect of Debt Linked Notes, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the exchange on which the relevant Debt Instrument is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Instrument are traded and if on any Knock-in Determination Day or Knock-out Determination Day and at any time at which the Level triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event has occurred or is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the

purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

14.7. *Definitions relating to Knock-in Event/Knock-out Event*

Unless otherwise specified in the applicable Final Terms:

**"Knock-in Determination Day"** means (a) each date specified as such in the applicable Final Terms, (b) each Scheduled Trading Day in the Knock-in Determination Period, (c) each date specified as such in the Knock-in Determination Period, (d) each Fund Business Day in the Knock-in Determination Period, (e) each Business Day in the Knock-in Determination Period, (f) each Commodity Business Day in the Knock-in Determination Period, as specified in the applicable Final Terms, (g) each MFP Valuation Date, (g) each MFP Valuation Date in MFP Valuation Period or (h) each MFP Valuation Date indicated as such within the Knock-in Determination Period;

**"Knock-in Determination Period"** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**"Knock-in Event"** means:

- (a) if Knock-in Valuation is specified as applicable in the applicable Final Terms, the Knock-in Value is; or
- (b) if the Notes are Currency Linked Notes and FX Knock-in Valuation is specified as applicable in the applicable Final Terms:
  - (i) if FX Coupon Performance is specified as applicable in the applicable Final Terms, that the FX Coupon Performance is; or
  - (ii) if Performance Value is specified as applicable in the applicable Final Terms, that the Performance Value is; or
- (c) if Knock-in Valuation is specified as not applicable in the applicable Final Terms and, if the Notes are Currency Linked Notes and unless FX Knock-in Valuation is specified as applicable in the applicable Final Terms:
  - (i) (in respect of a single Underlying Reference) that the Level is; or
  - (ii) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference and (y) the relevant Weighting is:

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level or, if applicable, (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, as specified in the applicable Final Terms; (C) "outside" the Knock-in Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, specified in the applicable Final Terms;

**"Knock-in Level"** means the FX Knock-in Level or the other level, amount, number or percentage specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

**"Knock-in Observation Price Source"** means the source specified as such in the applicable Final Terms;

**"Knock-in Period Beginning Date"** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Currency Linked Notes), a Commodity Business Day (in the case of Commodity Linked Notes), a Fund Business Day (in the case of Fund Linked Notes) or Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Fund Business Day or Business Day, as the case may be;

**"Knock-in Period Ending Date"** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Currency Linked Notes), a Commodity Business Day (in the case of Commodity Linked Notes), a Fund Business Day (in the case of Fund Linked Notes) or Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Fund Business Day or Business Day, as the case may be;

**"Knock-in Range Level"** means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

**"Knock-in Valuation Time"** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

**"Knock-in Value"** means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Knock-out Determination Day"** means (a) each date specified as such in the applicable Final Terms, (b) each Scheduled Trading Day in the Knock-out Determination Period, (c) each date specified as such in the Knock-out Determination Period, (d) each Fund Business Day in the Knock-out Determination Period, (e) each Business Day in the Knock-out Determination Period, (f) each Commodity Business Day in the Knock-out Determination Period, as specified in the applicable Final Terms, (g) each MFP Valuation Date, (g) each MFP Valuation Date in MFP Valuation Period or (h) each MFP Valuation Date indicated as such within the Knock-out Determination Period;

**"Knock-out Determination Period"** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**"Knock-out Event"** means:

- (a) if Knock-out Valuation is specified as applicable in the applicable Final Terms, the Knock-out Value is, or
- (b) if the Notes are Currency Linked Notes and FX Knock-out Valuation is specified as applicable in the applicable Final Terms:
  - (i) if FX Coupon Performance is specified as applicable in the applicable Final Terms, that the FX Coupon Performance is; or
  - (ii) if Performance Value is specified as applicable in the applicable Final Terms, that the Performance Value is; or
- (c) if Knock-out Valuation is specified as not applicable in the applicable Final Terms and, if the Notes are Currency Linked Notes and unless FX Knock-out Valuation is specified as applicable in the applicable Final Terms:
  - (i) (in respect of a single Underlying Reference) that the Level is; or
  - (ii) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference and (y) the relevant Weighting is,
    - (A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms (x) on a Knock-out Determination Day or (y) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms; (C) "outside" the Knock-out Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, specified in the applicable Final Terms;

**"Knock-out Level"** means the FX Knock-out Level or other level, amount, number or percentage specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

**"Knock-out Observation Price Source"** means the source specified as such in the applicable Final Terms;

**"Knock-out Period Beginning Date"** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Currency Linked Notes), a Commodity Business Day (in the case of Commodity Linked Notes), , a Fund Business Day (in the case of Fund Linked Notes) or Business Day (in the case of other

Notes), the next following Scheduled Trading Day, Commodity Business Day, Fund Business Day or Business Day, as the case may be;

**"Knock-out Period Ending Date"** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes or Currency Linked Notes), a Commodity Business Day (in the case of Commodity Linked Notes), a Fund Business Day (in the case of Fund Linked Notes) or Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Fund Business Day or Business Day, as the case may be;

**"Knock-out Range Level"** means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

**"Knock-out Valuation Time"** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time;

**"Knock-out Value"** means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Level"** means, for the purposes of this Base Condition 14.7, (i) the "official level", "official close", "last price", "traded price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms, published by the Knock-in Observation Price Source or Knock-out Observation Price Source, as applicable, or (ii) if "Standard Level" is specified as applicable in the applicable Final Terms (a) in the case of Share Linked Notes, ETI Linked Notes and Futures Linked Notes, the price of the relevant Underlying Reference, (b) in the case of Index Linked Notes, the level of the relevant Underlying Reference (c) in the case of Commodity Linked Notes, the Relevant Price, (d) in the case of Currency Linked Notes, the spot rate of exchange for the exchange of the Alternative Currency into the Base Currency (expressed as the number of units (or part units) of such Alternative Currency for which one unit of the Base Currency can be exchanged), or, in each case determined by the Calculation Agent as of the Knock-in Valuation Time or Knock-out Valuation Time on any Knock-in Determination Day or Knock-out Determination Day, as applicable, or, in the case of the "official close" level, at such time as the official close is published by the Knock-in Observation Price Source or Knock-out Observation Price Source, as applicable;

**"Relevant Adjustment Provisions"** means:



- (a) in the case of Index Linked Notes, Index Linked Note Condition 2 (*Market Disruption*) and Index Linked Note Condition 3 (*Adjustments to an Index*);
- (b) in the case of Share Linked Notes, Share Linked Note Condition 2 (*Market Disruption*), Share Linked Note Condition 3 (*Potential Adjustment Events*) and Share Linked Note Condition 5 (*Extraordinary Events*);
- (c) in the case of Fund Linked Notes, Fund Linked Note Condition 4 (*Consequences of an Extraordinary Fund Event*);
- (d) in the case of ETI Linked Notes, ETI Linked Note Condition 2 (*Market Disruption*) and ETI Linked Note Condition 3 (*Potential Adjustment Events*);
- (e) in the case of Commodity Linked Notes, Commodity Linked Note Condition 2 (*Market Disruption*), Commodity Linked Note Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) and Commodity Linked Note Condition 4 (*Adjustments to a Commodity Index*);
- (f) in the case of Currency Linked Notes, Currency Linked Note Condition 2 (*Disruption Events*), Currency Linked Note Condition 3 (*Consequences of a Disruption Event*);
- (g) in the case of Futures Linked Notes, Futures Linked Note Condition 3 (*Adjustments to a Future*);
- (h) in the case of Debt Linked Notes, Debt Linked Note Condition 3 (*Market Disruption*) Debt Linked Note Condition 4 (*Correction of Debt Instrument Price*) and Debt Linked Note Condition 5 (*Redemption or Cancellation of a Debt Instrument*);

"**Underlying Reference**" means, for the purposes of this Base Condition 14, each Index, Share, ETI Interest, Debt Instrument, Commodity, Fund, Commodity Index, Alternative Currency, Future or other basis of reference to which the relevant Notes relate.

## 15. AGENTS, DETERMINATIONS, MEETINGS OF NOTEHOLDERS AND MODIFICATIONS

### 15.1. Agents

The Fiscal Agent, the Paying Agent, the Calculation Agent, the Custodian and the Account Bank initially appointed by the relevant Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agent, the Calculation Agent and the Custodian act solely as agents of the relevant Issuer and the Guarantor (where applicable) and do not assume any obligation or relationship of agency or trust for or with any holder.

The relevant Issuer and the Guarantor (where applicable) reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent and/or the Liquidation Agent and/or the Custodian and/or the Account Bank and/or the Settlement Agent and to appoint additional or other Paying Agents, Liquidation Agents, Custodians, Account Banks, Calculation Agents or Settlement Agents provided that the relevant Issuer will at all times maintain (i) a Fiscal Agent, (ii) a Calculation Agent where the Conditions so require one, (iii) Paying Agents having a specified office in at least two major European cities (including Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange), (iv) such other agents

as may be required by the rules of any other stock exchange on which the Notes may be listed, and (v) with reference to the Secured Notes, so long as any Secured Notes are outstanding there will at all times be a Liquidation Agent and, if required, a Custodian and/or Account Bank.

Notice of any such change or any change of any specified office will promptly be given to the holders of Notes in accordance with Base Condition 16 (*Notices*).

The Fiscal Agent initially appointed by the Issuers is BNP PARIBAS, Luxembourg Branch and its specified office is 60, avenue J.F Kennedy, L-1855 Luxembourg. BNP PARIBAS, Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. Further information on the international operating model of BNP PARIBAS, Luxembourg Branch may be provided upon request

The Italian Paying Agent initially appointed by the Issuers is MEDIOBANCA - Banca di Credito Finanziario S.p.A. and its specified office is Piazzetta E. Cuccia, 1 20121 Milan, Italy.

The Calculation Agent initially appointed by the Issuers is MEDIOBANCA - Banca di Credito Finanziario S.p.A. and its specified office is Piazzetta E. Cuccia, 1 20121 Milan, Italy.

The Custodian initially appointed by MBFL is BNP PARIBAS, Luxembourg Branch and its specified office is 60, avenue J.F Kennedy, L-1855 Luxembourg. BNP PARIBAS, Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. Further information on the international operating model of BNP PARIBAS, Luxembourg Branch may be provided upon request.

The Account Bank initially appointed by MBFL is BNP PARIBAS, Luxembourg Branch and its specified office is 60, avenue J.F Kennedy, L-1855 Luxembourg. BNP PARIBAS, Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. Further information on the international operating model of BNP Paribas Securities Services Luxembourg Branch may be provided upon request.

In the case of CREST Dematerialised Notes, the relevant Issuer is entitled to vary or terminate the appointment of the Euroclear Registrar, provided that (a) there will at all times be a Euroclear Registrar and (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Euroclear Registrar with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority. In acting under the Euroclear Agreement, the Euroclear Registrar acts solely as agent of the relevant Issuer and, if applicable, the Guarantor and does not assume any obligation to, or relationship of agency or trust with the Noteholders.

The Euroclear Registrar appointed by the Issuers in connection with each Note will be indicated in the relevant Final Terms.

15.2. *Calculation Agent*

In relation to each issue of Notes, the Calculation Agent (whether it be Mediobanca or another entity) acts solely as agent of the relevant Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Noteholders. All calculations and determinations made in respect of the Notes by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the relevant Issuer and the Noteholders.

The Calculation Agent may, with the consent of the relevant Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

15.3. *Determinations by the relevant Issuer*

Any determination made by the relevant Issuer pursuant to these Conditions shall (save in the case of manifest error) be final, conclusive and binding on the relevant Issuer and the Noteholders.

15.4. *Occurrence of certain events*

The Issuer or the Calculation Agent are under no obligation to monitor whether or not any of the applicable events described in Annex 2 (*Additional Terms and Conditions for Index Linked Notes*), Annex 3 (*Additional Terms and Conditions for Share Linked Notes*), Annex 4 (*Additional Terms and Conditions for ETI Linked Notes*), Annex 5 (*Additional Terms and Conditions for Debt Linked Notes*), Annex 6 (*Additional Terms and Conditions for Commodity Linked Notes*), Annex 7 (*Additional Terms and Conditions for Inflation Linked Notes*), Annex 8 (*Additional Terms and Conditions for Currency Linked Notes*), Annex 9 (*Additional Terms and Conditions for Fund Linked Notes*); Annex 10 (*Additional Terms and Conditions for Futures Linked Notes*) and Annex 11 (*Additional Terms and Conditions for Interest Rate Linked Notes*) has occurred in respect of any Note, Underlying Reference or Component, as the case may be. Neither the relevant Issuer nor the Calculation Agent shall be liable to any Noteholder for losses resulting from (i) any determination that any such event has occurred or has not occurred, (ii) the timing relating to the determination that any such event has occurred or has not occurred or (iii) any actions taken or not taken by the relevant Issuer and/or the Calculation Agent in accordance with these Conditions as a result of such determination that any such event has occurred or has not occurred.

15.5. *Meetings of Noteholders*

- (i) The Issuer and the Guarantor may, without the prior consent of the Noteholders of a Series the Notes correct:
  - A. any manifest error in the Terms and Conditions of the Notes and/or in the Final Terms;
  - B. any error of a formal, minor or technical nature in the Terms and Conditions of the Notes and/or in the Final Terms; or
  - C. any inconsistency in the Terms and Conditions of the Notes and/or in the Final Terms between the Terms and Conditions of the Notes and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Notes,

provided such correction is not materially prejudicial to the Noteholders of the relevant Series of Notes.

Any such correction shall be binding on the Noteholders of the relevant Series of Notes and the relevant Issuer and the Guarantor (if applicable) shall cause such correction to be notified to the Noteholders of the relevant Series of Notes as soon as practicable thereafter pursuant to Base Condition 16 (*Notices*).

In addition, the relevant Issuer and the Guarantor may modify from time to time in the relevant Final Terms the time references to certain Business Days contained in these Conditions.

- (ii) The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Issue and Paying Agency Agreement or (in the case of the CREST Dematerialised Notes) the Euroclear Agreement, if to do so could not reasonably be expected to be materially prejudicial to the interests of the holders of Notes.
- (iii) With respect to Secured Notes, the Security Trustee may without the consent or sanction of the Noteholders, at any time and from time to time concur with MBFL in making or permitting any modification to the Security Trust Deed, any Supplemental Trust Deed, any Additional Charging Document, any Charged Agreement or any other transaction document relating to a Series of Secured Notes to which it is a party (the “**Relevant Documents**” and each a “**Relevant Document**”) PROVIDED THAT the Security Trustee is of the opinion that:
  - A. such modification will not be materially prejudicial to the interests of the Noteholders; or
  - B. in the opinion of the Security Trustee such modification is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Security Trustee, proven.

Any such modification may be made on such terms and subject to such conditions (if any) as the Security Trustee may determine, shall be binding upon the Noteholders and unless the Security Trustee agrees otherwise, shall be notified by MBFL to the Noteholders in accordance with Base Condition 16 (*Notices*).

- (iv) With respect to Secured Notes, the Security Trustee is obliged to consent to any modification to a Series of Secured Notes or any Relevant Document if directed and requested to so do by an Extraordinary Resolution of the Noteholders of such Series, provided that it will not be obliged to consent to any modification which, in the sole opinion of the Security Trustee, would have the effect of:
  - A. exposing the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or
  - B. increasing the obligations or duties, or decreasing the protections, of the Security Trustee in Secured Notes, or any Relevant Document.

- (v) With respect to Secured Notes, the Security Trustee may without the consent or sanction of the Noteholders, and without prejudice to its rights in respect of any subsequent breach, at any time and from time to time but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby waive or authorise any breach or proposed breach by MBFL or any other person of any of the covenants or provisions contained in the Secured Notes, or any Relevant Document, provided that the

Security Trustee shall not exercise any powers conferred on it by this clause in contravention of any express direction given by the Instructing Creditor.

Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Security Trustee may determine, shall be binding on the Noteholders and, if, but only if, the Security Trustee shall so require, shall be notified by MBFL to the Noteholders in accordance with the Base Condition 16 (*Notices*) as soon as practicable thereafter.

## 16. NOTICES

All notices to Noteholders shall be valid if (i) except in case of CREST Dematerialised Notes, until such time as any Definitive Notes are issued, the notice is delivered to the relevant Clearing System(s), for communication by them to the Noteholders, or in the case of CREST Dematerialised Notes, mailed to the Holder at the address of the Noteholder appearing in the Record on the second Business Day prior to despatch of such notice, by first class post or, if such address is not in the United Kingdom, by airmail post (any such notice to be delivered or sent at the risk of the relevant Noteholder); (ii) if and so long as the Notes are admitted to trading on Euronext Dublin's regulated market (and listed on the Official List of Euronext Dublin), the notice is published in accordance with the rules and regulations of Euronext Dublin (which shall include publication in a leading newspaper having general circulation in Ireland or on the website of Euronext Dublin (<https://www.euronext.com/en/markets/dublin>), or on the website of the relevant Issuer (*www.mediobanca.it* or *www.mediobancaint.lu*) and the Guarantor (*www.mediobanca.it*)); (iii) if and so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange, the notice is published in accordance with the rules and regulations of the Luxembourg Stock Exchange (which shall include publication on the website of the Luxembourg Stock Exchange ([www.luxse.lu](http://www.luxse.lu)) or on the website of the relevant Issuer (*www.mediobanca.it* or *www.mediobancaint.lu*) and the Guarantor (*www.mediobanca.it*)), and (iv) if and so long as the Notes are admitted to trading on the Italian Stock Exchange, the notice is published in accordance with the rules and regulations of the Italian Stock Exchange (which shall include publication on the website of the Italian Stock Exchange ([www.borsaitaliana.it](http://www.borsaitaliana.it)) or on the website of the relevant Issuer (*www.mediobanca.it* or *www.mediobancaint.lu*) and the Guarantor (*www.mediobanca.it*)). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any other stock exchange (or any other relevant authority) on which the Notes are for the time being listed or by which they have been admitted to trading. If Definitive Notes are issued or any such publication is not practicable, notice will be deemed validly given if published in a leading daily English language newspaper of general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice to the Noteholders in accordance with this Condition.

## 17. EXPENSES AND TAXATION

## TERMS AND CONDITIONS OF THE NOTES

- (a) A holder of Notes must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, sale commissions, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the settlement of such Notes and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Notes ("**Expenses**") relating to such Notes as provided above.
- (b) The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Noteholder shall be liable for and/or pay, any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Note by any person. All payments made by the relevant Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted and no additional amount shall be payable to any relevant Noteholder in respect of any such tax, duty, withholding or other payment.

### 18. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of Noteholders to create and issue further Notes so as to be consolidated with and form a single series with the outstanding Notes, provided that in the case of Secured Notes:

- (a) where Charged Agreement/Collateral Arrangements are specified as applying in the Final Terms then the Counterparty or the relevant Issuer delivers or transfers additional Collateral Assets to the relevant Issuer or the Custodian, as applicable, pursuant to the Charged Agreement(s) and enters into an additional or supplemental Charged Agreement(s) (if applicable) or,
- (b) where Collateral Arrangements Only is specified as applying in the Final Terms the relevant Issuer provides additional Collateral Assets to the extent required,

in the case of (a) or (b) so that the Collateral Assets Coverage Requirement is satisfied immediately after issue of the further Notes (even if this is not the case subsequently) and in each case references to "**Notes**" and "**Collateral Assets**" and, where applicable, "**Charged Agreement(s)**" shall thereafter be deemed to be references to such terms as amended to take into account the further issue.

### 19. SUBSTITUTION OF THE RELEVANT ISSUER

#### 19.1. *Substitution of Issuer*

- (a) The Issuer and, in case of Notes issued by Mediobanca International, the Guarantor may at any time, without the consent of the holders of Notes or Coupons, substitute Mediobanca, or any other third party entity, as Issuer in place of Mediobanca International, or any other third party entity, as Issuer in place of Mediobanca (each a "**Substitute**") upon notice by the relevant Issuer, the Guarantor (in case of Notes issued by Mediobanca International) and the Substitute to be given in accordance with Base Condition 16 (*Notices*) provided that:
  - (i) no payment in respect of the Notes, the Receipts or the Coupons or the Mediobanca International

Deed of Guarantee (as the case may be) is at the relevant time overdue;

- (ii) the Substitute shall, by means of a deed poll in the form scheduled to the Programme Manual as Schedule 9 (the "**Deed Poll**"), agree to indemnify each holder of Notes against any incremental tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant and which would not have been so imposed or otherwise suffered by any holder of Notes, Receipts or Coupons had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
  - (iii) in respect of Notes issued by Mediobanca International, where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant shall be unconditionally guaranteed by the Guarantor by means of the Deed Poll, in accordance with the terms thereof;
  - (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, where applicable, of the Guarantor have been taken, fulfilled and done and are in full force and effect;
  - (v) the Substitute shall have become party to the Issue and Paying Agency Agreement or, where the Notes are CREST Dematerialised Notes, the Euroclear Registrar, with any appropriate consequential amendments, as if it had been an original party to it;
  - (vi) legal opinions shall have been delivered to the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), and Dealers from lawyers of recognised standing in each jurisdiction referred to in (ii) above, in Italy and in England as to the fulfilment of the requirements of this Base Condition 19 and the other matters specified in the Deed Poll and that the Notes, Receipts, Coupons and Talons are legal, valid and binding obligations of the Substitute;
  - (vii) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be listed on such stock exchange;
  - (viii) if applicable, the Substitute has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes.
- (b) Upon the execution of the Deed Poll and the delivery of the legal opinions, the Substitute shall succeed to, and be substituted for, and may exercise every right and power, of the relevant Issuer under the Notes and the Issue and Paying Agency Agreement, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), with the same effect as if the Substitute had been named as the relevant Issuer herein, and the relevant Issuer shall be released from its obligations under the Notes and under the Issue and Paying Agency

Agreement, or the Euroclear Registrar (in the case of CREST Dematerialised Notes).

- (c) After a substitution pursuant to Base Condition 19.1(a), the Substitute may, without the consent of any holder, effect a further substitution. All the provisions specified in Base Condition 19.1(a) and Base Condition 19.1(b) shall apply *mutatis mutandis*, and references in these Conditions to the relevant Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.
- (d) After a substitution pursuant to Base Condition 19.1(a) or Base Condition 19.1(c) any Substitute may, without the consent of any holder, reverse the substitution, *mutatis mutandis*.
- (e) The Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Fiscal Agent or the Euroclear Registrar (in the case of CREST Dematerialised Notes). Copies of such documents will be available free of charge at the specified office of the Paying Agent or the Euroclear Registrar (in the case of CREST Dematerialised Notes).

#### 19.2. *Limitation to Substitution of Issuer*

The Base Condition 19 (*Substitution of the relevant Issuer*) do not apply to Notes issued by MBFL.

#### 19.3. *Modification of Conditions as a result of Substitution of Issuer*

After any substitution pursuant to Base Condition 19.1 (*Substitution of Issuer*) above, the Conditions will be modified in all consequential respects including, but not limited to, replacement of references to the Republic of Italy in the Conditions where applicable, by references to the country of incorporation, domicile and/or residence for tax purposes of the Substitute, as the case may be. Such modifications shall be notified to Noteholders in accordance with Base Condition 16 (*Notices*).

### **20. ACKNOWLEDGEMENT OF THE ITALIAN BAIL-IN POWER**

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this Base Condition 20, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the Italian Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the settlement amount in respect of the Notes together with any accrued but unpaid Interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the settlement amount in respect of the Notes together with any accrued but unpaid Interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of these Conditions; (iii) the cancellation of the Notes or the settlement amount in respect of the Notes together with



any accrued but unpaid Interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of Interest payable on the Notes, or the date on which the Interest amount becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of these Conditions, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute an event of default and these Conditions shall remain in full force and effect save as varied by the Relevant Authority in accordance with this Base Condition 20.

## **21. ACKNOWLEDGEMENT OF THE LUXEMBOURG BAIL-IN POWER**

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD (as transposed into Luxembourg law by Article 56(1) of the Luxembourg BRRD Law), by its acquisition of the Notes each holder (which, for the purposes of this Base Condition 21, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the Luxembourg Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the settlement amount in respect of the Notes together with any accrued but unpaid Interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the settlement amount in respect of the Notes together with any accrued but unpaid Interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares or other types of capital instruments of the Issuer or another person (and the issue to or conferral on the holder of such shares or capital instruments), including by means of an amendment, modification or variation of these Conditions; (iii) the cancellation of the Notes or the settlement amount in respect of the Notes together with any accrued but unpaid Interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of Interest payable on the Notes, or the date on which the Interest amount becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of these Conditions, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Luxembourg Bail-in Power by the Relevant Authority.

The exercise of the Luxembourg Bail-in Power by the Relevant Authority shall not constitute an event of default and these Conditions shall remain in full force and effect save as varied by the Relevant Authority in accordance with this Base Condition 21.

## **22. ADJUSTMENTS FOR EUROPEAN MONETARY UNION**

Unless Redenomination is specified as not applicable in the applicable Final Terms, the Issuer may, without the

consent of the Noteholders, on giving notice to the Noteholders in accordance with Base Condition 16 (*Notices*):

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) where the Settlement Currency of the Notes is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Final Redemption Amount in respect of the Notes will be made solely in euro as though references in the Notes to the Settlement Currency were to euro;
- (ii) where the Exchange Rate and/or any other terms of these Conditions (as completed in the applicable Final Terms) are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and
- (iii) such other changes shall be made to these Conditions (as completed in the applicable Final Terms) as the relevant Issuer may decide, in its sole and absolute discretion to conform them to conventions then applicable to instruments expressed in euro; and/or
- (b) require that the Calculation Agent makes such adjustments to the Weighting and/or the Redemption Price and/or the Settlement Price and/or any other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent, acting in good faith and in a commercially reasonable manner, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Weighting and/or the Redemption Price and/or the Settlement Price and/or such other terms of these Conditions and/or the applicable Final Terms).

Notwithstanding the foregoing, none of the relevant Issuer, the Guarantor any of their Affiliates, the Calculation Agent or any of the Paying Agents shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

In this Base Condition, the following expressions have the following meanings:

"**Adjustment Date**" means a date specified by the relevant Issuer in the notice given to the Noteholders pursuant to this Base Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

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

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

"**National Currency Unit**" means the unit of the currency of a country, as those units are defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

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

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

Subject as provided in the Issue and Paying Agency Agreement and in the Euroclear Agreement (the case of CREST Dematerialised Notes) the Notes do not confer on any third party any rights under the Contracts (Rights of Third Parties) Act 1999 (the Act) to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

### 24. GOVERNING LAW AND JURISDICTION

- (a) *Governing Law*: If it is specified in the Final Terms that English law is applicable to the Notes, the Notes and any contractual or non-contractual obligations arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law, save for the status provisions applicable to the Notes and the contractual recognition of bail-in powers provisions, and any non contractual obligations arising out of or in connection with such provisions set out in Base Conditions 20 (*Acknowledgement of the Italian Bail-in power*) and 21 (*Acknowledgement of the Luxembourg Bail-in power*) (the "**status and bail-in recognition provisions**"), which shall be governed by, and construed in accordance with, Italian law (if the Notes are issued by Mediobanca) or Luxembourg law (if the Notes are issued by Mediobanca International), as applicable. If it is specified in the Final Terms that Italian law is applicable to the Notes, the Notes are governed by, and shall be construed in accordance with, Italian law, save, in case Notes are issued by Mediobanca International, for the status and bail-in recognition provisions which shall be governed by, and construed in accordance with, Luxembourg law. Articles 470-1 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, are not applicable to the Notes. In relation to Secured Notes, the Custody Agreement and the Account Bank Agreement are governed by the Luxembourg law. Any Additional Charging Document may be governed by a law other than English law.
- (b) *Jurisdiction*: If it is specified in the Final Terms that English law is applicable to the Notes, the courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising from or connected with the Notes, whether arising out of or in connection with contractual or non-contractual obligations, subject to the status and bail-in recognition provisions. If it is specified in the Final Terms that Italian law is applicable to the Notes, the Courts of Milan shall have exclusive jurisdiction to settle any disputes that may arise out

of or in connection with these Notes, whether arising out of or in connection with contractual or non-contractual obligations, subject to the status and bail-in recognition provisions.

- (c) *Appropriate forum:* If it is specified in the Final Terms that English law is applicable to the Notes, each of the relevant Issuer and the Guarantor (where applicable) agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.
- (d) *Service of notices/documents:* If it is specified in the Final Terms that English law is applicable to the Notes, each of the relevant Issuer and the Guarantor (where applicable) agrees that the documents which start any proceedings relating to a Dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on them by being delivered to Mediobanca – London Branch, 4<sup>th</sup> floor, 62 Buckingham Gate SW1E 6AJ, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the relevant Issuer and the Guarantor (where applicable), the relevant Issuer and the Guarantor (where applicable) shall, on the written demand of any Noteholder addressed and delivered to the relevant Issuer and to the Guarantor (where applicable) or to the specified office of the Fiscal Agent or the Euroclear Registrar (in the case of CREST Dematerialised Notes), appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the relevant Issuer and the Guarantor (where applicable) and delivered to the relevant Issuer and the Guarantor (where applicable) or to the specified office of the Fiscal Agent or the Euroclear Registrar (in the case of CREST Dematerialised Notes). Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.
- (e) *Non-applicable Conditions if Italian law applies to the Notes:* If it is specified in the Final Terms that Italian law is applicable to the Notes, Base Condition 24(c), Base Condition 24(d) and Base Condition 23 (*Contracts (Rights of Third Parties) Act 1999*) shall not apply.

## ANNEX 1

## ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

The following terms and conditions (the "**Formulas Conditions**"), subject to completion in the applicable Final Terms, relate to the Final Payouts, Interest Rates, Automatic Early Redemption Payouts, Call Payouts and Put Payouts and Entitlements in respect of the Notes. In particular, certain sections of the Formulas Conditions will be set out and completed in the applicable Final Terms. In the event of any inconsistency between the terms and conditions of the Notes (the "**Base Conditions**") and the Formulas Conditions, the Formulas Conditions shall prevail. The descriptions of the certain final payouts, put payouts and interests amount rates and/or related provisions included in italics below do not form part of the Formulas Conditions, are included for information purposes only and are subject to the detailed terms of the relevant final payouts, put payouts and interests amount rates as applicable.

## 1. FINAL PAYOUTS

### 1.1 Final Payouts Formulas

The following final payouts (each a "**Final Payout**") shall apply to the Notes if specified in the applicable Final Terms:

(a) **Single Final Payout - Protected Notes**

If Single Final Payout - Protected Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is less than or equal to the Protection Level:

Nominal Amount × Protection Factor; or

- (ii) if Settlement Price Final is greater than the Protection Level:

Nominal Amount + Nominal Amount × Participation Factor ×  $\left( \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right) - 1 \right)$

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is equal to or less than the Protection Level, the Final Payout will equal the Nominal Amount multiplied by the Protection Factor. Otherwise, the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference multiplied by the Participation Factor.*

(b) **Single Final Payout - Protected Capped Notes**

If Single Final Payout - Protected Capped Notes is specified as applicable in the applicable Final Terms:

**ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS**

- (i) if Settlement Price Final is less than or equal to the Protection Level:

$$\text{Nominal Amount} \times \text{Protection Factor}; \text{ or}$$

- (ii) if Settlement Price Final is greater than the Protection Level:

$$\text{Min (Nominal Amount} + \text{Nominal Amount} \times \text{Participation Factor} \times \left[ \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right) - 1 \right]; \text{Nominal Amount} \times \text{Cap Level Percentage})$$

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is equal to or less than the Protection Level, the Final Payout will equal the Nominal Amount multiplied by the Protection Factor. Otherwise the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference multiplied by the Participation Factor, subject to a cap of the Cap Level Percentage.*

**(c) Single Final Payout - Parity and Exchange Notes**

If Single Final Payout - Parity and Exchange Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is less than or equal to the Maximum Payout Amount:

$$\frac{\text{Settlement Price Final}}{\text{Parity} \times \text{Exchange Rate Final}}; \text{ or}$$

- (ii) if Settlement Price Final is greater than the Maximum Payout Amount:

$$\frac{\text{Maximum Payout Amount}}{\text{Parity} \times \text{Exchange Rate Final}}$$

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is equal to or less than the Maximum Payout Amount, the Final Payout will equal the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will equal the Maximum Payout Amount (divided by the product of the Exchange Rate Final and Parity).*

**(d) Single Final Payout – Double Coupon Notes**

If Single Final Payout – Double Coupon Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is greater than the Barrier Level:

## ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

Nominal Amount  $\times$  (100% + Coupon Percentage 1); or

- (ii) if Settlement Price Final is equal to or less than the Barrier Level:

$$\text{Nominal Amount} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} + \text{Coupon Percentage 2} \right)$$

### ***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Barrier Level, the Final Payout will equal the Nominal Amount plus the Coupon Percentage 1. Otherwise the Final Payout will equal the Nominal Amount multiplied for the performance of the Underlying Reference plus the Coupon Percentage 2 (which may also be a negative percentage).*

### **(e) Single Final Payout - Continuous Double Coupon Notes**

If Single Final Payout - Continuous Double Coupon Notes is specified as applicable in the applicable Final Terms:

- (i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level:

$$\text{Nominal Amount} \times (100\% + \text{Coupon Percentage 1}); \text{ or}$$

- (ii) if at any time on an Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level:

$$\text{Nominal Amount} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} + \text{Coupon Percentage 2} \right)$$

### ***Description of the Final Payout***

*If at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level, the Final Payout will equal the Nominal Amount plus the Coupon Percentage 1. Otherwise the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference and the Coupon Percentage 2. (which may also be a negative percentage).*

### **(f) Single Final Payout - Leveraged Capped Notes**

If Single Final Payout - Leveraged Capped Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is greater than the Strike Price:

**ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS**

$$\text{Nominal Amount} \times \text{Min} \left[ \text{Participation Factor} \times \left( \frac{\text{Settlement Price Final} - \text{Strike Price}}{\text{Strike Price}} \right) + 1; \text{Cap Level Percentage} \right]; \text{ or}$$

- (ii) if Settlement Price Final is less than or equal to the Strike Price:

$$\text{Nominal Amount} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right)$$

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Strike Price, the Final Payout will equal the Nominal Amount plus a Participation Factor multiplied by the performance of the Underlying Reference, subject to a cap of the Cap Level Percentage. Otherwise, the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference.*

**(g) Single Final Payout - Knock-Out Leveraged Capped Notes**

If Single Final Payout - Knock-Out Leveraged Capped Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is greater than the Strike Price:

$$\text{Nominal Amount} \times \text{Min} \left[ \text{Participation Factor} \times \left( \frac{\text{Settlement Price Final} - \text{Strike Price}}{\text{Strike Price}} \right) + 1; \text{Cap Level Percentage} \right];$$

- (ii) if Settlement Price Final is less than or equal to the Strike Price and no Knock-out Event has occurred:

$$\text{Nominal Amount} \times \text{AirbagPercentage}; \text{ or}$$

- (iii) if Settlement Price Final is less than or equal to the Strike Price and a Knock-out Event has occurred:

$$\text{Nominal Amount} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right).$$

"**AirbagPercentage**" is as defined in the applicable Final Terms.

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Strike Price, the Final Payout will equal the Nominal Amount plus a Participation Factor multiplied by the lesser of the performance of the Underlying Reference and the Cap Level Percentage. Otherwise, the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference.*



(h) **Single Final Payout - Strike-Out Leveraged Capped Notes**

If Single Final Payout - Strike-Out Leveraged Capped Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is greater than the Strike Price:

$$\text{Nominal Amount} \times \text{Min} \left[ \text{Participation Factor} \times \left( \frac{\text{Settlement Price Final} - \text{Strike Price}}{\text{Strike Price}} \right) + 1; \text{Cap Level Percentage} \right]$$

- (ii) if Settlement Price Final is less than or equal to the Strike Price and equal to or greater than the Barrier Level:

$$\text{Nominal Amount} \times \text{AirbagPercentage}; \text{ or}$$

- (iii) if Settlement Price Final is less than the Barrier Level:

$$\text{Nominal Amount} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right)$$

where:

"**AirbagPercentage**" is as defined in the applicable Final Terms.

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Strike Price, the Final Payout will equal the Nominal Amount plus a Participation Factor multiplied by the lesser of the performance of the Underlying Reference and Cap Level Percentage.*

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is less than or equal to the Strike Price and no Knock-out Event has occurred, the Final Payout will equal the Nominal Amount multiplied by the AirbagPercentage.*

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is less than or equal to the Strike Price and the Knock-out Event has occurred, the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference.*

(i) **Single Final Payout - Capped Speed Notes**

If Single Final Payout - Capped Speed Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is greater than the Strike Price:

$$\left. \frac{\text{Strike Price} + \text{Speed Factor} \times [\text{Min} (\text{Upper Level}; \text{Settlement Price Final}) - \text{Strike Price}]}{[\text{Parity} \times \text{Exchange Rate Final}]} \right\} \text{if}$$

$$\frac{\text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

**Description of the Final Payout**

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Strike Price, the Final Payout will equal the Strike Price plus the Speed Factor multiplied by the difference between (i) the lesser of the Upper Level and the Settlement Price Final of the Underlying Reference on the Valuation Date and (ii) the Strike Price, divided by the product of the Exchange Rate Final and Parity. Otherwise, the Final Payout will equal the Settlement Price Final of the Underlying Reference on the Valuation Date divided by the product of the Exchange Rate Final and Parity.*

**(j) Single Final Payout - Capped Bonus Parity Exchange Notes**

If Single Final Payout - Capped Bonus Parity Exchange Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is greater than the Barrier Level:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ OR}$$

- (ii) if Settlement Price Final is less than or equal to the Barrier Level:

$$\frac{\text{Min} [\text{Settlement Price Final}; \text{Cap Level}]}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

**Description of the Final Payout**

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Barrier Level, the Final Payout will equal the Bonus Level (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will be equal to the Settlement Price Final on the Valuation Date, subject to a cap of the Cap Level, divided by the product of the Exchange Rate Final and Parity.*

**(k) Single Final Payout - Capped Bonus Notes**

If Single Final Payout - Capped Bonus Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is less than the Cap Level and equal to or greater than the Barrier Level:

$$\text{Nominal Amount} \times \text{Max} \left( \text{Bonus Level Percentage}; \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right)$$

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- (ii) if Settlement Price Final is equal to or greater than the Cap Level:

$$\text{Nominal Amount} \times \text{Cap Level Percentage}; \text{ or}$$

- (iii) if Settlement Price Final is less than the Barrier Level:

$$\text{Nominal Amount} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right)$$

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is less than the Cap Level but equal to or greater than the Barrier Level, the Final Payout will equal the Nominal Amount multiplied by the greater of the Bonus Level Percentage and the performance of the Underlying Reference. If the Settlement Price Final of the Underlying Reference on the Valuation Date is equal to or greater than the Cap Level, the Final Payout will equal the Nominal Amount multiplied by the Cap Level Percentage. If the Settlement Price Final of the underlying Reference on the Valuation Date is less than the Barrier Level, the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference.*

**(1) Single Final Payout - Reverse Capped Notes**

If Single Final Payout - Reverse Capped Notes is specified as applicable in the applicable Final Terms:

- (i) if no Knock-out Event has occurred and Settlement Price Final is greater than the Cap Level:

$$\text{Nominal Amount} \times \text{Max} \left[ \text{Reverse Capped Notes Percentage 1} - \text{Bonus Level Percentage}; \text{Reverse Capped Notes Percentage 2} - \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right]$$

- (ii) if no Knock-out Event has occurred and Settlement Price Final is less than or equal to the Cap Level:

$$\text{Nominal Amount} \times [\text{Reverse Capped Notes Percentage 3} - \text{Cap Level Percentage 1}]; \text{ or}$$

- (iii) if a Knock-out Event has occurred:

Nominal Amount

$$\times \left[ \text{Max} \left( \text{Floor Percentage}; \text{Min} \left( \left( \text{Reverse Capped Notes Percentage 4} - \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right); \left( \text{Reverse Capped Notes Percentage 5} - \text{Cap Level Percentage 2} \right) \right) \right) \right]$$

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Cap Level and no Knock-out Event has occurred, the Final Payout will equal the Nominal Amount multiplied by the lesser of (i) the Reverse Capped Notes Percentage 1 minus the Bonus Level Percentage or (ii) the Reverse Capped Notes Percentage 2 less the performance of the Underlying Reference.*

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is equal to or less than the Cap Level, the Final Payout will equal the Nominal Amount multiplied by Reverse Capped Notes Percentage 3 minus the Cap Level Percentage 1.*

*If a Knock-out Event has occurred, the Final Payout will equal the Nominal Amount multiplied by the lesser of (i) the Reverse Capped Notes Percentage 4 minus the performance of the Underlying Reference and (ii) the Reverse Capped Notes Percentage 5 minus the Cap Level Percentage 2, provided that the Final Payout will not be less than the Nominal Amount multiplied by the Floor Percentage.*

(m) **Single Final Payout - Continuous Capped Bonus Parity Exchange Notes**

If Single Final Payout - Continuous Capped Bonus Parity Exchange Notes is specified as applicable in the applicable Final Terms:

- (i) if the Underlying Reference Level has never been less than or equal to the Barrier Level at any time on any Observation Date during the Observation Period:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}, \text{ or}$$

- (ii) otherwise:

$$\frac{\text{Min} [\text{Settlement Price Final}; \text{Cap Level}]}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

***Description of the Final Payout***

*If the Underlying Reference Level has never been less than or equal to the Barrier Level during the Observation Period, the Final Payout will be equal to the Bonus Level (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will be equal to the Settlement Price Final on the Valuation Date (divided by the product of the Exchange Rate Final and Parity) subject to a maximum of Cap Level (divided by the product of the Exchange Rate Final and Parity).*

(n) **Single Final Payout - Continuous Capped Bonus Notes**

## ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

If Single Final Payout - Continuous Capped Bonus Notes is specified as applicable in the applicable Final Terms:

- (i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level and if Settlement Price Final is less than the Cap Level:

$$\text{Nominal Amount} \times \text{Max} \left( \text{Bonus Level Percentage}; \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right)$$

- (ii) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level and if Settlement Price Final is greater than or equal to the Cap Level:

$$\text{Nominal Amount} \times \text{Cap Level Percentage 1}; \text{ or}$$

- (iii) if at any time on an Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level:

$$\text{Nominal Amount} \times \text{Min} \left( \text{Cap Level Percentage 2}; \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right)$$

### ***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is less than the Cap Level and if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level, the Final Payout will equal the Nominal Amount multiplied by the maximum of the Bonus Level Percentage and the performance of the Underlying Reference.*

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is equal to or greater than the Cap Level and if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level, the Final Payout will equal the Nominal Amount multiplied by the Cap Level Percentage 1.*

*If at any time on an Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level the Final Payout will equal the Nominal Amount multiplied by the performance of the Underlying Reference subject to a maximum of the Nominal Amount multiplied by Cap Level Percentage 2.*

- (o) **Single Final Payout - Standard Express Notes**

If Single Final Payout - Standard Express Notes is specified as applicable in the applicable Final Terms:

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- (i) if Settlement Price Final is greater than the Barrier Level:

Express Amount; or

- (ii) if Settlement Price Final is less than or equal to the Barrier Level:

$$\text{Issue Price} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right)$$

***Description of the Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Barrier Level, the Final Payout will equal the Express Amount.*

*Otherwise, the Final Payout will equal the Issue Price plus the performance of the Underlying Reference.*

**(p) Single Final Payout – Continuous Reverse Level Parity Exchange Notes**

If Single Final Payout – Continuous Reverse Level Parity Exchange Notes is specified as applicable in the applicable Final Terms:

- (i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is less than the Barrier Level:

$$\frac{\text{Reverse Level} - \text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ or}$$

- (ii) otherwise:

$$\text{Max} \left[ 0; \frac{\text{Reverse Level} - \text{Max} [\text{Settlement Price Final}; \text{Cap Level}]}{\text{Parity} \times \text{Exchange Rate Final}} \right]$$

***Description of the Final Payout***

*If the Underlying Reference Level is at all times during the Observation Period less than the Barrier Level, the Final Payout will equal the difference between the Reverse Level and the Bonus Level (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will equal the Reverse Level minus the greater of the Settlement Price Final on the Valuation Date and the Cap Level (divided by the product of the Exchange Rate Final and Parity), provided that, in such case, the Final Payout will not be less than zero.*

**(q) Single Final Payout - Standard Step Memory Notes**

If Single Final Payout - Standard Step Memory Notes is specified as applicable in the applicable Final Terms:

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- (i) if Settlement Price Final is greater than the Strike Price:

$$\text{Nominal Amount} \times [100\% + \text{Premium Percentage} \times [n]];$$

- (ii) if Settlement Price Final is less than or equal to the Strike Price and greater than the Barrier Level:

$$\text{Nominal Amount} \times 100\%; \text{ or}$$

- (iii) if Settlement Price Final is less than or equal to the Barrier Level:

$$\text{Nominal Amount} \times \left[ 100\% + \frac{\text{Settlement Price Final} - \text{Underlying Reference Initial}}{\text{Underlying Reference Initial}} \right]$$

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Strike Price, the Final Payout will equal the Nominal Amount plus a premium multiplied by a memory effect. If the Settlement Price Final of the Underlying Reference on the Valuation Date is lower than or equal to the Strike Price but greater than the Barrier Level, the Final Payout will equal the Nominal Amount. If the Settlement Price Final of the Underlying Reference on the Valuation Date is less than or equal to the Barrier Level, the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference.*

- (r) **Single Final Payout - Standard Memory Notes**

If Single Final Payout Standard Memory Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is greater than the Barrier Level:

$$\text{Nominal Amount} \times [100\% + [\text{Premium Percentage}] \times [n]]; \text{ or}$$

- (ii) if Settlement Price Final is less than or equal to the Barrier Level:

$$\text{Nominal Amount} \times \left[ 100\% + \left( \frac{\text{Settlement Price Final} - \text{Underlying Reference Initial}}{\text{Underlying Reference Initial}} \right) \right]$$

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Barrier Level, the Final Payout will equal the Nominal Amount plus a premium multiplied by a memory effect.*

*Otherwise, the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference.*

(s) **Single Final Payout - Forex DivReinvested Fees Notes**

If Single Final Payout - Forex DivReinvested Fees Notes is specified as applicable in the applicable Final Terms:

$$\text{Cert}_{(t_0)} \times \text{AF}_{(t)} \times \left[ \text{UR}_{(t)} \times \text{FX}_{(t)} / (\text{UR}_{(t_0)} \times \text{FX}_{(t_0)}) \right]$$

where:

"**ACT<sub>(i,i-1)</sub>**" means the number of calendar days between two ACT Days;

"**ACT Day**" means Scheduled Trading Days, Commodity Business Days or calendar days as specified in the applicable Final Terms;

"**AF<sub>(t)</sub>**" means fees factor<sub>(t)</sub> × div reinvested factor<sub>(t)</sub>;

"**Applicable Withholding Tax**" means a percentage calculated by the Calculation Agent representing the amount of taxes deducted or withheld at source by or on behalf of any applicable authority having the power to tax in respect of any cash dividends ex-dividend at date<sub>i</sub> payable in respect of the relevant Share or a constituent share in an Index pursuant to any applicable double taxation treaty or domestic law prevailing at the time of the distribution;

"**Cert<sub>(t<sub>0</sub>)</sub>**" means the amount specified as such in the applicable Final Terms;

"**div reinvested factor<sub>(t)</sub>**" means:

- (i) if the Underlying Reference is a Share or an Index (where in the determination of the Calculation Agent dividends on the constituent share are not reinvested in the Index),

$$\text{Product}_{(t_i=t_0+1) \text{ to } (t_i=t)} (1 + \text{Div Percentage} \times \text{Gross div}_{(t_i)} / \text{UR}_{(t_i-1)}); \text{ or}$$

- (ii) otherwise, 1;



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**"Div Percentage"** means:

- (i) if Applicable Withholding Tax is specified as not applicable in the applicable Final Terms, the percentage specified as such in the applicable Final Terms;
- (ii) if Applicable Withholding Tax is specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent equal to  $1 - \text{Applicable Withholding Tax}$ ;

**"Exchange Rate Previous"** means Exchange Rate Initial or the Exchange Rate on the Initial Valuation Date as specified in the applicable Final Terms;

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

**"fees factor<sub>(t)</sub>"** means Product  $_{(t=t_0+1)} \text{ to }_{(t=t)} (1 - \text{fees} \times \text{ACT}_{(t,i-1)}/360)$ ;

**"First Valuation Date"** means the Strike Date or the Initial Valuation Date, as specified in the Final Terms;

**"F<sub>x(t)</sub>"** means Exchange Rate Final;

**"F<sub>x(t\_0)</sub>"** means Exchange Rate Previous;

**"Gross div<sub>(t)</sub>"** means (i) if the Underlying Reference is a Share, any ordinary cash dividends (before deduction of any withholding or deduction of taxes at source by or on behalf of any applicable authority having the power to tax in respect of such dividend and without any tax credit refund or deduction granted by any applicable authority having the power to tax in respect of such dividend) ex-dividend at date  $t_i$  and effectively paid or (ii) if the Underlying Reference is an Index, any ordinary cash dividends (before deduction of any withholding or deduction of taxes at source by or on behalf of any applicable authority having the power to tax in respect of such dividend and without any tax credit refund or deduction granted by any applicable authority having the power to tax in respect of such dividend) ex-dividend at date  $t_i$  on any constituent share in such Index at date  $t_i$ , taking into account the weight of such constituent share at date  $t_{i-1}$  and effectively paid, provided that if no ordinary cash dividends are paid ex-dividend at date  $t_i$ , Gross div<sub>(t)</sub> will be zero;

**"Initial Valuation Date"** is the date specified as such in the applicable Final Terms. The Initial Valuation Date shall be deemed to be a Valuation Date and shall be subject to the provisions thereof;

**"UR<sub>(t)</sub>"** means Settlement Price Final;

**"UR<sub>(t-1)</sub>"** means the Settlement Price Final of the Underlying Reference on the Scheduled Trading Day prior to the Dividend ex Date<sub>(t-1)</sub>; and

**"UR<sub>(t\_0)</sub>"** means the Settlement Price Final of the Underlying Reference on the First Valuation Date.

### *Description of the Final Payout*

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*The Final Payout replicates the performance of the Underlying Reference less certain amounts (including, but not limited to, fees (including quanto fees), dividends paid (if applicable) and roll fees depending on the Underlying Reference).*

### (t) **Single Final Payout – Continuous Bonus Floored Exchange Parity Notes**

If Single Final Payout – Continuous Bonus Floored Exchange Parity Notes is specified as applicable in the applicable Final Terms:

- (i) if the Underlying Reference Level has never been less than or equal to the Barrier Level at any time on any Observation Date during the Observation Period:

$$\frac{\text{Max [Settlement Price Final; Bonus Level]}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ OR}$$

- (ii) otherwise:

$$\frac{\text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]} .$$

#### ***Description of the Final Payout***

*If the Underlying Reference Level has never been less than or equal to the Barrier Level during the Observation Period, the Final Payout will be equal to the maximum between the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and the Settlement Price Final on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will be equal to the Settlement Price Final on the Valuation Date (divided by the product of the Exchange Rate Final and Parity).*

### (u) **Single Final Payout Continuous Bonus Floored Notes**

If Single Final Payout Continuous Bonus Floored Notes is specified as applicable in the applicable Final Terms:

- (i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level:

$$\text{Nominal Amount} \times \text{Max} \left( \text{Bonus Level Percentage}; \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right) ; \text{ or}$$

- (ii) if at any time on an Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level:

$$\text{Nominal Amount} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right)$$

#### ***Description of the Final Payout***

## ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

*If at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level, the Final Payout will equal the Nominal Amount multiplied by the maximum between the Bonus Level Percentage and the performance of the Underlying Reference. Otherwise the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference.*

### (v) **Single Final Payout – Continuous Capped Reverse Level Parity Exchange Notes**

If Single Final Payout – Continuous Capped Reverse Level Parity Exchange Notes is specified as applicable in the applicable Final Terms:

- (i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level has been less than the Barrier Level:

$$\frac{\text{Reverse Level} - \text{Min} [\text{Bonus Level}; \text{Settlement Price Final}]}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ OR}$$

- (ii) otherwise:

$$\text{Max} \left[ \frac{\text{Floor Level}}{(\text{Parity} \times \text{Exchange Rate Final})}; \frac{(\text{Reverse Level} - \text{Settlement Price Final})}{(\text{Parity} \times \text{Exchange Rate Final})} \right]$$

Where:

"**Floor Level**" is as defined in the applicable Final Terms.

### ***Description of the Final Payout***

*If the Underlying Reference Level is less than the Barrier Level at all times during the Observation Period, the Final Payout will equal the Reverse Level minus the minimum between the Bonus Level and the Settlement Price Final on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will equal the maximum between the Reverse Level minus the Settlement Price Final on the Valuation Date (divided by the product of the Exchange Rate Final and Parity) and the Floor Level (divided by the product of the Exchange Rate Final and Parity).*

### (w) **Single Final Payout – Upside and Downside Notes**

If Single Final Payout – Upside and Downside Notes is specified as applicable in the applicable Final Terms:

- (i) if no Knock-out Event has occurred:

$$\text{Nominal Amount} \times [100\% + \text{Redemption Premium}]; \text{ or}$$

- (ii) if a Knock-out Event has occurred:

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$$\text{Nominal Amount} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right)$$

Where "**Redemption Premium**" means:

$$\text{Max} \left[ \text{Upside Participation Factor} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} - 1 \right); \text{Downside Participation Factor} \times \left( 1 - \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right) \right]$$

***Description of the Final Payout and Redemption Premium***

*If no Knock-out Event occurs, the Final Payout will equal the Nominal Amount plus the Redemption Premium. Otherwise, the Final Payout will equal the Nominal Amount plus the performance of the Underlying Reference. The Redemption Premium is the absolute value of the performance of the Underlying Reference multiplied by the relevant participation factor.*

(x) **Single Final Payout - Capped Upside and Downside Notes**

If Single Final Payout Capped Upside and Downside Notes is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is equal to or greater than the Cap Level and no Knock-out Event has occurred:

$$\text{Nominal Amount} \times \text{Cap Level Percentage}$$

- (ii) if Settlement Price Final is less than the Cap Level and no Knock-out Event has occurred:

$$\text{Nominal Amount} \times [100\% + \text{Redemption Premium}]; \text{ or}$$

- (iii) if a Knock-out Event has occurred:

$$[\text{Nominal Amount}] \times \text{Min} \left( \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right); \text{Cap Level Percentage} \right)$$

Where "**Redemption Premium**" means:

$$\text{Max} \left[ \text{Upside Participation Factor} \times \left( \frac{\text{Settlement Price Final}}{\text{Strike Price}} - 1 \right); \text{Downside Participation Factor} \times \left( 1 - \frac{\text{Settlement Price Final}}{\text{Strike Price}} \right) \right]$$

***Description of the Final Payout and Redemption Premium***

ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is equal to or greater than the Cap Level and if no Knock-out Event occurs, the Final Payout will equal the Nominal Amount multiplied by the Cap Level Percentage. If the Settlement Price Final of the Underlying Reference on the Valuation Date is less than the Cap Level and no Knock-out Event occurs, the Final Payout will equal the Nominal Amount plus the Redemption Premium.*

*If the Knock-out Event has occurred, the Final Payout will equal the Nominal Amount multiplied by the minimum between the performance of the Underlying Reference and the Cap Level Percentage. The Redemption Premium is the absolute value of the performance of the Underlying Reference multiplied by the relevant participation factor.*

(y) **Single Final Payout – Continuous Bonus Barrier Notes**

If Single Final Payout – Continuous Bonus Barrier Notes is specified as applicable in the applicable Final Terms:

- (i) if at any time on any Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level and equal to or greater than the Bonus Level:

- (A) if Settlement Price Final is less than or equal to the Bonus Level:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ OR}$$

- (B) if Settlement Price Final is greater than the Bonus Level:

$$\frac{\text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

- (ii) if at any time on any Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level and at all times less than the Bonus Level:

$$\frac{\text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ OR}$$

- (iii) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level:

- (A) if Settlement Price Final is less than or equal to the Bonus Level:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ OR}$$

- (B) if Settlement Price Final is greater than the Bonus Level:

$$\frac{\text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

***Description of the Final Payout***

*If the Underlying Reference Level has at any time been less than or equal to the Barrier Level during the Observation Period and equal to or greater than the Bonus Level, the Final Payout will be equal to the maximum between the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and the Settlement Price Final on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). If the Underlying Reference has at any time been less than or equal to the Barrier Level during the Observation Period and at all times less than the Bonus Level, the Final Payout will be equal to the Settlement Price Final on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). If the Underlying Reference Level has at all times been greater than the Barrier Level during the Observation Period, the Final Payout will be equal to the maximum between the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and the Settlement Price Final on the Valuation Date (divided by the product of the Exchange Rate Final and Parity).*

**(z) Single Final Payout – Capped Continuous Bonus Barrier Notes**

If Single Final Payout – Capped Continuous Bonus Barrier Notes is specified as applicable in the applicable Final Terms:

- (i) if at any time on any Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level and equal to or greater than the Bonus Level:

- (A) if Settlement Price Final is less than or equal to the Bonus Level:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ or}$$

- (B) if Settlement Price Final is greater than the Bonus Level:

$$\text{Min} \frac{[\text{Settlement Price Final, Cap Percentage 1}]}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

- (ii) if at any time on any Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level and at all times less than the Bonus Level:

$$\text{Min} \frac{[\text{Settlement Price Final, Cap Percentage 2}]}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

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(iii) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level:

(A) if Settlement Price Final is less than or equal to the Bonus Level:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ Or}$$

(B) if Settlement Price Final is greater than the Bonus Level:

$$\text{Min} \frac{[\text{Settlement Price Final, Cap Percentage 3}]}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

***Description of the Final Payout***

*If the Underlying Reference Level has at any time been less than or equal to the Barrier Level during the Observation Period and equal to or greater than the Bonus Level, the Final Payout will be equal to the maximum between the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and the Settlement Price Final on the Valuation Date subject to a maximum of Cap Percentage 1 (divided by the product of the Exchange Rate Final and Parity).*

*If the Underlying Reference has at any time been less than or equal to the Barrier Level during the Observation Period and at all times less than the Bonus Level, the Final Payout will be equal to the Settlement Price Final on the Valuation Date subject to a Cap Percentage 2 (divided by the product of the Exchange Rate Final and Parity). If the Underlying Reference Level has at all times been greater than the Barrier Level during the Observation Period, the Final Payout will be equal to the maximum between the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and the Settlement Price Final on the Valuation Date subject to a maximum of Cap Percentage 3 (divided by the product of the Exchange Rate Final and Parity).*

**(aa) Single Final Payout - Lower Collared Knock-Out Notes**

If Single Final Payout - Lower Collared Knock-Out Notes is specified as applicable in the applicable Final Terms:

(i) if the Settlement Price Final is equal to or greater than the Upper Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

(ii) if the Settlement Price Final is greater than the Lower Level and less than the Upper Level:

$$\frac{\text{Settlement Price Final} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ Or}$$

(iii) if the Settlement Price Final is less than or equal to the Lower Level:

$$\frac{\text{Final Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

where:

"**Final Level**" is as defined in the applicable Final Terms.

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Lower Level, the Final Payout will be equal to the Settlement Price Final of the Underlying Reference on the Valuation Date less the Lower Level (divided by the product of the Exchange Rate Final and Parity), provided that, in such case, the Final Payout will not be greater than the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). If the Settlement Price Final of the Underlying Reference on the Valuation Date is less than or equal to the Lower Level, the Final Payout equals to Final Level (divided by the product of the Exchange Rate Final and Parity).*

**(bb) Single Final Payout - Upper Collared Knock-Out Notes**

If Single Final Payout - Upper Collared Knock-Out Notes is specified as applicable in the applicable Final Terms:

- (i) if the Settlement Price Final is less than or equal to the Lower Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

- (ii) if the Settlement Price Final is greater than the Lower Level but less than the Upper Level:

$$\frac{\text{Upper Level} - \text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ or}$$

- (iii) if the Settlement Price Final is equal to or greater than the Upper Level:

$$\frac{\text{Final Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

Where

"**Final Level**" is as defined in the applicable Final Terms.

***Description of the Final Payout***

*If the Settlement Price Final of the Underlying Reference on the Valuation Date is less than the Upper Level, the Final Payout will equal the Upper Level less the Settlement Price Final of the Underlying Reference on the Valuation Date (divided by the product of the Exchange Rate Final*



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and Parity), provided that the Final Payout will not be greater than the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). If the Settlement Price Final of the Underlying Reference on the Valuation Date is equal to or greater than the Upper Level, the Final Payout equals to Final Level (divided by the product of the Exchange Rate Final and Parity).

(cc) **Single Final Payout - Continuous Lower Knock-Out Notes**

If Single Final Payout - Continuous Lower Knock-Out Notes is specified as applicable in the applicable Final Terms:

(i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Lower Level:

(A) if Settlement Price Final is greater than the Lower Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{OR}$$

(B) if Settlement Price Final is less than or equal to the Lower Level:

$$\frac{\text{Final Level 1}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{OR}$$

(ii) if at any time on an Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Lower Level:

(A) if Settlement Price Final is equal to or greater than the Upper Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} ;$$

(B) if Settlement Price Final is greater than the Lower Level but less than the Upper Level:

$$\frac{\text{Settlement Price Final} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} \text{ OR}$$

(C) if the Settlement Price Final is less than or equal to the Lower Level:

$$\frac{\text{Final Level 2}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

where:

"**Final Level 1**" is as defined in the applicable Final Terms;

"**Final Level 2**" is as defined in the applicable Final Terms.

***Description of the Final Payout***

*If the Underlying Reference Level is at all times during the Observation Period greater than the Lower Level and if the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Lower Level, then the Final Payout equals the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). Otherwise, if the Settlement Price Final of the Underlying Reference on the Valuation Date is less than or equal to the Lower Level, then the Final Payout equals to Final Level 1 (divided by the product of the Exchange Rate Final and Parity). If the Underlying Reference Level has at any time during the Observation Period been less than or equal to the Lower Level and if the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than the Lower Level, the Final Payout will equal the Settlement Price Final of the Underlying Reference on the Valuation Date less the Lower Level (divided by the product of the Exchange Rate Final and Parity), provided that, in such case, the Final Payout will not be greater than the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). Otherwise, if the Settlement Price Final of the Underlying Reference on the Valuation Date is less than or equal to the Lower Level, then the Final Payout equals to Final Level 2 (divided by the product of the Exchange Rate Final and Parity).*

**(dd) Single Final Payout - Continuous Upper Knock-Out Notes**

If Single Final Payout - Continuous Upper Knock-Out Notes is specified as applicable in the applicable Final Terms:

(i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is less than the Upper Level:

(A) if Settlement Price Final is less than the Upper Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ or}$$

(B) if Settlement Price Final is equal to or greater than the Upper Level:

$$\frac{\text{Final Level 1}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ or}$$

(ii) if at any time on an Observation Date during the Observation Period the Underlying Reference Level is equal to or greater than the Upper Level:

(A) if Settlement Price Final is less than or equal to the Lower Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ or}$$

(B) if Settlement Price Final is greater than the Lower Level but less than the Upper Level:

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$$\frac{\text{Upper Level–Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ OR}$$

- (C) if Settlement Price Final is equal to or greater than the Upper Level:

$$\frac{\text{Final Level 2}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

where:

"**Final Level 1**" is as defined in the applicable Final Terms.

"**Final Level 2**" is as defined in the applicable Final Terms.

### ***Description of the Final Payout***

*If the Underlying Reference Level is at all times during the Observation Period less than the Upper Level and if the Settlement Price Final of the Underlying Reference on the Valuation Date is less than the Upper Level, then the Final Payout will equal the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). Otherwise, if the Settlement Price Final of the Underlying Reference on the Valuation Date is equal to or greater than the Upper Level, then the Final Payout equals to Final Level 1 (divided by the product of the Exchange Rate Final and Parity). If the Underlying Reference Level has been at any time during the Observation Period equal to or greater than the Upper Level, and if the Settlement Price Final of the Underlying Reference on the Valuation Date is less than the Upper Level, then the Final Redemption Amount will equal the Upper Level less the Settlement Price Final of the Underlying Reference on the Valuation Date (divided by the product of the Exchange Rate Final and Parity), provided that, in such case, the Final Payout will not be greater than the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). Otherwise, if the Settlement Price Final of the Underlying Reference on the Valuation Date is greater than or equal to the Upper Level, then the Final Payout equals to Final Level 2 (divided by the product of the Exchange Rate Final and Parity).*

### (ee) **Single Final Payout – Standard Call and Put Notes**

If Single Final Payout – Standard Call and Put Notes is specified as applicable in the applicable Final Terms:

- (i) if the Notes are specified in the applicable Final Terms as being Call Notes:

$$\frac{\text{Max}(0; \text{Settlement Price Final} - \text{Strike Price})}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ OR}$$

- (ii) if the Notes are specified in the applicable Final Terms as being Put Notes:

$$\frac{\text{Max}(0; \text{Strike Price} - \text{Settlement Price Final})}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

***Description of the Final Payout***

*The Final Payout will be equal to (i) in the case of Call Notes, the greater of the excess (if any) of the Settlement Price Final on the Valuation Date over the Strike Price and zero, or (ii) in the case of Put Notes, the greater of the excess (if any) of the Strike Price over the Settlement Price Final on the Valuation Date and zero, in each case divided by the product of the Exchange Rate Final and Parity.*

**(ff) Single Final Payout - Knock-In Call and Put Notes**

If Single Final Payout - Knock-In Call and Put Notes is specified as applicable in the applicable Final Terms:

(i) if the Notes are specified in the applicable Final Terms as being Call Notes:

(A) if no Knock-in Event has occurred,

$$\frac{\text{Final Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ OR}$$

(B) if a Knock-in Event has occurred but no Knock-out Event has occurred:

$$\frac{\text{Max (0; Settlement Price Final - Strike Price)}}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ OR}$$

(ii) if the Notes are specified in the applicable Final Terms as being Put Notes:

(A) if no Knock-in Event has occurred,

$$\frac{\text{Final Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

(B) if a Knock-in Event has occurred but no Knock-out Event has occurred:

$$\frac{\text{Max (0; Strike Price - Settlement Price Final)}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

where:

"**Final Level**" is as defined in the applicable Final Terms.

***Description of the Final Payout***

*If no Knock-in Event has occurred, the Final Payout equals the Final Level (divided by the product of the Exchange and Parity). If a Knock-in Event has occurred then the Final Payout will be equal to (i) in the case of Call Notes, the greater of the excess (if any) of the Settlement Price Final on the Valuation Date over the Strike Price and zero, or (ii) in the case of Put Notes, the greater of the*

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*excess (if any) of the Strike Price over the Settlement Price Final on the Valuation Date and zero, in each case divided by the product of the Exchange Rate Final and Parity.*

### (gg) **Single Final Payout - Capitalised Call and Put Notes**

If Single Final Payout - Capitalised Call and Put Notes is specified as applicable in the applicable Final Terms:

- (i) if the Notes are specified in the applicable Final Terms as being Call Notes:

$$\text{Max} \left( 0; \left( \frac{\text{Final Price} - \text{Capitalised Exercise Price}}{\text{Parity} \times \text{Conversion Rate Final}} \right) \right); \text{ or}$$

- (ii) if the Notes are specified in the applicable Final Terms as being Put Notes:

$$\text{Max} \left( 0; \left( \frac{\text{Capitalised Exercise Price} - \text{Final Price}}{\text{Parity} \times \text{Conversion Rate Final}} \right) \right)$$

### ***Description of the Final Payout***

*The Final Payout will be equal to (i) in the case of Call Notes, the greater of the excess (if any) of the Final Price over the Capitalised Exercise Price and zero, or (ii) in the case of Put Notes, the greater of the excess (if any) of the Capitalised Exercise Price over the Final Price and zero, in each case divided by the product of the Conversion Rate Final and Parity.*

### (hh) **Single Final Payout - Leverage Factor Notes**

If Single Final Payout - Leverage Factor Notes is specified as applicable in the applicable Final Terms:

- (i) in respect of a Bull Note, the Bull Note Value on the relevant Valuation Date; or  
(ii) in respect of a Bear Note, the Bear Note Value on the relevant Valuation Date,

in each case, converted into the Settlement Currency at the Exchange Rate on the relevant Valuation Date.

Where:

"**Adjusted Bear NV**" or "**Adjusted Bull NV**" means an amount calculated by the Calculation Agent in accordance with the Bear  $NV_t$  formula or the Bull  $NV_t$  formula, as the case may be, in this Formulas Condition 1.1(hh) except that:

**ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS**

- (i) with respect to any calculation to be made following the first Reset Event occurring during an Observation Time Period (the "**Relevant Observation Time Period**")  $U_t$  will be the Reset Price calculated following the relevant Reset Event Determination Time;
- (ii) with respect to any subsequent Reset Events occurring within the Relevant Observation Time Period:
  - (a) Bear  $NV_{t-1}$  will be the Adjusted Bear NV and Bull  $NV_{t-1}$  will be the Adjusted Bull NV, as the case may be, last calculated prior to the relevant Reset Event Determination Time;
  - (b)  $FC_t$  is equal to (0) zero;
  - (c)  $U_t$  is the Reset Price calculated following the relevant Reset Event Determination Time;
  - (d)  $U_{t-1}$  is the Reset Price last calculated prior to the relevant Reset Event Determination Time;
  - (e) in the case of Index Linked Notes or Share Linked Notes,  $div_t^{net}$  and  $div_t^{gross}$  will be equal to (0) zero; and
  - (f) in the case of Commodity Linked Notes and Index Linked Notes to which Futures Price Valuation applies,  $rc_{t-1}$  will be equal to (0) zero.

"**Bear  $NV_0$** " means the Issue Price per Note converted into the Calculation Currency at the Exchange Rate on the Relevant Business Day preceding the Commencement Date ( $t=0$ );

"**Bear  $NV_{t-1}$** " means, in respect of the calculation of Bear  $NV_t$ , the Bear Note Value last calculated, provided that, the Bear  $NV_{t-1}$  for the Listing Date is Bear  $NV_0$ ;

"**Bear Note Value**" or "**Bear  $NV_t$** " means, in respect of a Relevant Business Day, an amount calculated by the Calculation Agent in accordance with the following formula:

- (i) in the case of Index Linked Notes or Share Linked Notes:

$$\max [Bear\ NV_{t-1} \times \left( 1 - L \times \left( \frac{U_t + div_t^{gross}}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times Bear\ NV_{t-1}];$$

- (ii) in the case of Commodity Linked Notes or Index Linked Notes to which Futures Price Valuation applies:

$$\max [Bear\ NV_{t-1} \times \left( 1 - L \times \left( \frac{U_t}{U_{t-1} + rc_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times Bear\ NV_{t-1}]; \text{ or}$$

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(iii) in the case of Currency Linked Notes:

$$\max [Bear\ NV_{t-1} \times \left( 1 - L \times \left( \frac{U_t}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times Bear\ NV_{t-1} ];$$

"**Bull NV<sub>0</sub>**" means the Issue Price per Note converted into the Calculation Currency at the Exchange Rate on the Relevant Business Day preceding the Commencement Date (t=0);

"**Bull Note Value**" or "**Bull NV<sub>t</sub>**" means, in respect of a Relevant Business Day, an amount calculated by the Calculation Agent in accordance with the following formula:

(i) in the case of Index Linked Notes or Share Linked Notes:

$$\max [Bull\ NV_{t-1} \times \left( 1 + L \times \left( \frac{U_t + div\ t^{net}}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times Bull\ NV_{t-1} ];$$

(ii) in the case of Commodity Linked Notes or Index Linked Notes to which Futures Price Valuation applies:

$$\max [Bull\ NV_{t-1} \times \left( 1 + L \times \left( \frac{U_t}{U_{t-1} + rc_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times Bull\ NV_{t-1} ];$$

or

(iii) in the case of Currency Linked Notes:

$$\max [Bull\ NV_{t-1} \times \left( 1 + L \times \left( \frac{U_t}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times Bull\ NV_{t-1} ] ; \text{and}$$

"**Bull NV<sub>t-1</sub>**" means, in respect of the calculation of Bull NV<sub>t</sub>, the Bull Note Value last calculated, provided that the Bull NV<sub>t-1</sub> for the Listing Date is Bull NV<sub>0</sub>;

"**Calculation Currency**" means the currency of the Underlying Reference (in respect of Index Linked Notes, Share Linked Notes and Commodity Linked Notes) or the Alternative Currency (in respect of Currency Linked Notes);

"**Calculation Time<sub>t</sub>**" means, in respect of a Relevant Business Day, the Scheduled Closing Time (in respect of Index Linked Notes and Share Linked Notes), the time at which the official closing level of the relevant Index is published or, if First Traded Price Applicable is specified in the applicable Final Terms, the time at which the First Traded Price of the relevant Futures or Option Exchange is published (in respect of Index Linked Notes to which Futures Price Valuation applies), the time at which the relevant Commodity Reference Price is published by the relevant Exchange (in respect of Commodity Linked Notes) or the Valuation Time (in respect of Currency Linked Notes), in each case on such Relevant Business Day;

"**Calculation Time<sub>t-1</sub>**" means, in respect of a Relevant Business Day, the Scheduled Closing Time (in respect of Index Linked Notes and Share Linked Notes), the time at which the official closing

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level of the relevant Index is published or, if First Traded Price Applicable is specified in the applicable Final Terms, the time at which the First Traded Price of the relevant Futures or Option Exchange is published (in respect of Index Linked Notes to which Futures Price Valuation applies), the time at which the relevant Commodity Reference Price is published by the relevant Exchange (in respect of Commodity Linked Notes) or the Valuation Time (in respect of Currency Linked Notes), in each case on the Relevant Business Day immediately preceding such day;

"**Commencement Date**" means, the Listing Date of the relevant Bear Note or Bull Note ( $t=1$ );

"**Cut-off Time**" means the time specified as such in the applicable Final Terms and (in the case of Index Linked Notes, Share Linked Notes, Commodity Linked Notes or Index Linked Notes to which Futures Price Valuation applies) if not specified, 7.00 p.m. (local time in the city in which the relevant Exchange or Futures or Options Exchange is situated), in the case of a normal trading session and 3.00 p.m. (local time in the city in which the relevant Exchange or Futures or Options Exchange is situated), in the case of a half day trading session;

"**div<sub>t</sub><sup>gross</sup>**" means, in respect of an Ex-Dividend Date, an amount determined by the Calculation Agent equal to the sum of the gross cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share (as defined below) related to such Ex-Dividend Date;

"**div<sub>t</sub><sup>net</sup>**" means, in respect of an Ex-Dividend Date, an amount determined by the Calculation Agent equal to the sum of the cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share (as defined below) related to such Ex-Dividend Date less any taxes deducted or withheld at source by or on behalf of any applicable authority having the power to tax in respect of such dividends pursuant to any applicable double taxation treaty or domestic law prevailing at the time of the distribution;

"**Ex-Dividend Date**" means, with respect to a Share or share comprising an Index (an "**Index Share**"), the date on which such Share or Index Share becomes "ex-dividend" as determined by the Calculation Agent;

"**Fee**" or "**F**" means the percentage specified as such in the applicable Final Terms. The Calculation Agent, acting in good faith and in a commercially reasonable manner, may adjust the Fee within the Fee Range to reflect a change in the cost to the Issuer of issuing the Notes or providing a price in the secondary market.

"**Fee Range**" means the range specified as such in the applicable Final Terms;

"**Financing Component<sub>t(0)</sub>**" or "**FC<sub>t</sub>**" means, in respect of a Relevant Business Day:

(i) in the case of Bear Note that are Index Linked Notes or Share Linked Notes:



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$$-NV_{t-1} \times ((-L - 1) \times (r_{t-1}^u - rm) + L \times (hc + F)) \times n(t - 1, t);$$

(ii) in the case of Bull Note that are Index Linked Notes or Share Linked Notes:

$$-NV_{t-1} \times ((L - 1) \times (r_{t-1}^u + rm) + L \times (hc + F)) \times n(t - 1, t);$$

(iii) in the case of Bear Note that are Commodity Linked Notes or Index Linked Notes to which Futures Price Valuation applies:

$$-NV_{t-1} \times (-(r_{t-1}^u - rm) + L \times (hc + F)) \times n(t - 1, t);$$

(iv) in the case of Bull Note that are Commodity Linked Notes or Index Linked Notes to which Futures Price Valuation applies:

$$-NV_{t-1} \times (-(r_{t-1}^u - rm) + L \times (hc + F)) \times n(t - 1, t);$$

(v) in the case of Bear Note that are Currency Linked Notes:

$$-NV_{t-1} \times (-r_{t-1}^{ub} - L \times (r_{t-1}^{ub} - r_{t-1}^{ur} - rm) + L \times (hc + F)) \times n(t - 1, t); \text{ or}$$

(vi) in the case of Bull Note that are Currency Linked Notes:

$$-NV_{t-1} \times (-r_{t-1}^{ub} + L \times (r_{t-1}^{ub} - r_{t-1}^{ur} + rm) + L \times (hc + F)) \times n(t - 1, t);$$

**"Hedging Cost"** or **"hc"** means the percentage specified as such in the applicable Final Terms. If at any time after the Listing Date the cost of hedging the Notes materially exceeds such specified percentage, the Calculation Agent acting in good faith and in a commercially reasonable manner, may adjust the Hedging Cost, to reflect this change, save that the Hedging Cost will not be less than the Minimum Hedging Cost and will not exceed the Maximum Hedging Cost;

**"Interest Margin"** or **"rm"** means the percentage specified as such in the applicable Final Terms. The Calculation Agent may adjust the Interest Margin, acting in good faith and in a commercially reasonable manner, to reflect any disparity between the Reference Interest Rate and the Issuer's funding rate, save that the Interest Margin will not be less than the Minimum Interest Margin and will not exceed the Maximum Interest Margin;

**"Leverage Factor"** or **"L"** means the positive number specified as such in the applicable Final Terms;

**"Maximum Hedging Cost"** means the percentage specified as such in the applicable Final Terms;

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

**"Minimum Hedging Cost"** means the percentage specified as such in the applicable Final Terms;

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

**"Observation Price"** means the "official level", "opening price", "official close", "closing price", "purchase price", "sale price", "last price", "bid price", "asked price", "traded price", "official settlement price", "daily settlement price", "high", "mid", "low", "bid high", "bid low", "ask high", "ask low", as specified in the applicable Final Terms, of the Underlying Reference published by the Observation Price Source;

**"Observation Price Source"** means the price source specified as such in the applicable Final Terms;

**"Observation Time Period"** means, in respect of a Relevant Business Day, the period of time from but excluding Calculation Time<sub>t-1</sub> to and including Calculation Time<sub>t</sub>;

**"Rate Period"** or **"n(t-1,t)"** means, in respect of a Relevant Business Day, (i) the number of calendar days from (and including) the Relevant Business Day immediately preceding such Relevant Business Day to (but excluding) such Relevant Business Day, divided by (ii) 360;

**"Reference Floating Rate"** means, in respect of a Relevant Business Day, the Reference Floating Rate Option in respect of such day appearing on the Reference Floating Rate Option Page at the Reference Floating Rate Option Calculation Time or if the relevant rate does not appear on such page at such time, the Reference Floating Rate Option for such Relevant Business Day shall be determined by the Calculation Agent at such time and from such source(s) as it may select acting in good faith and in a commercially reasonable manner;

**"Reference Floating Rate Option"** means the relevant rate and designated maturity specified as such in the applicable Final Terms;

**"Reference Floating Rate Option Page"** means the page or price source specified as such in the applicable Final Terms;

**"Reference Floating Rate Option Time"** means the time specified as such in the applicable Final Terms;

**"Reference Interest Rate"**, " $r_{t-1}^u$ ", " $r_{t-1}^{ub}$ " or " $r_{t-1}^{ur}$ " means, in respect of a Relevant Business Day, the fixed rate specified as such in the applicable Final Terms or the Reference Floating Rate for the Relevant Business Day immediately preceding such day as specified in the applicable Final Terms;

**"Relevant Business Day"** means, an Exchange Business Day (in respect of Index Linked Notes or Share Linked Notes), a Commodity Business Day (in respect of Commodity Linked Notes) or a Scheduled Trading Day (in respect of Currency Linked Notes), as specified in the applicable Final Terms;

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**"Reset Price"** means the price of the relevant Underlying Reference determined by the Calculation Agent by reference to the price obtained by unwinding any underlying related hedging arrangements in respect of the relevant Note during the Unwinding Time Period immediately following the relevant Reset Event Determination Time. The Unwinding Time Period shall occur during the opening hours of the relevant Exchange (in the case of Index Linked Notes, Share Linked Notes or Commodity Linked Notes), the opening hours of the relevant Futures or Options Exchange (in the case of Index Linked Notes to which Futures Price Valuation applies) or immediately following the occurrence of the relevant Reset Event Determination Time (in respect of Currency Linked Notes). If the period between the occurrence of the latest Reset Event Determination Time and the official closing time of the relevant Exchange (in the case of Index Linked Notes, Share Linked Notes or Commodity Linked Notes) or Futures or Options Exchange (in the case of Index Linked Notes to which Futures Price Valuation applies) or the twelve hour period immediately following the occurrence of the relevant Reset Event Determination Time (in respect of Currency Linked Notes) would otherwise include a day that is not a Relevant Business Day, then the period for determining the Reset Price shall be extended to the following Relevant Business Day, until a full period equal to the Unwinding Time Period has passed since the most recent Reset Event Determination Time;

**"Reset Threshold"** means, in respect of a Relevant Business Day, an amount calculated by the Calculation Agent in accordance with the following formula:

- (i) in respect of Bear Note that are Index Linked Notes or Share Linked Notes:

$$(1 + P_{reset}) \times U_{t-1} - div_t^{gross} ;$$

- (ii) in respect of Bull Note that are Index Linked Notes or Share Linked Notes:

$$(1 - P_{reset}) \times U_{t-1} - div_t^{net} ;$$

- (iii) in respect of Bear Note that are Commodity Linked Notes or Index Linked Notes to which Futures Price Valuation applies:

$$(1 + P_{reset}) \times (U_{t-1} + rc_{t-1}) ;$$

- (iv) in respect of Bull Note that are Commodity Linked Notes or Index Linked Notes to which Futures Price Valuation applies:

$$(1 - P_{reset}) \times (U_{t-1} + rc_{t-1}) ;$$

- (v) in respect of Bear Note that are Currency Linked Notes:

$$(1 + P_{reset}) \times U_{t-1} ; \text{or}$$

- (vi) in respect of Bull Note that are Currency Linked Notes:

$$(1 - P_{reset}) \times U_{t-1} ;$$

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provided that:

- (a) at Calculation Time<sub>t</sub> on such Relevant Business Day the "Reset Threshold" calculated pursuant to paragraphs (iii), (iv), (v) and (vi) above will be reset and calculated as provided above except that references to "U<sub>t-1</sub>" will be deemed to be references to "U<sub>t</sub>" and, in the case of paragraphs (iii) and (iv) above, references to "rc<sub>t-1</sub>" will be deemed to be references to "rc<sub>t</sub>"; and
- (b) the Reset Threshold will be reset on the occurrence of each Reset Event and will be calculated in accordance with the Reset Threshold formula, except that:
  - (i) U<sub>t-1</sub> is the Reset Price last calculated before the relevant Reset Event Determination Time;
  - (ii) div<sub>t</sub><sup>net</sup> or div<sub>t</sub><sup>gross</sup>, as the case may be, is equal to (0) zero; and
  - (iii) rc<sub>t-1</sub> is equal to (0) zero.

"**Reset Threshold Percentage**" or "**P<sub>reset</sub>**" means the percentage specified as such in the applicable Final Terms;

"**Rollover Costs<sub>t</sub>**" or "**rc<sub>t</sub>**" means, in respect of a Relevant Business Day, (i) where the Relevant Business Day is not a Futures Rollover Date, zero, or (ii) where the Relevant Business Day is a Futures Rollover Date, an amount, which may be positive or negative, calculated by the Calculation Agent representing the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in the Current Exchange-traded Contract or the relevant Futures Contract, as the case may be, less the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in the next Current Exchange-traded Contract or Futures Contract, as the case may be, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated *pro rata* amongst the Notes;

"**Rollover Costs<sub>t-1</sub>**" or "**rc<sub>t-1</sub>**" means, in respect of a Relevant Business Day, (i) where the immediately preceding Relevant Business Day is not a Futures Rollover Date, zero, or (ii) where the immediately preceding Relevant Business Day is a Futures Rollover Date, an amount, which may be positive or negative, calculated by the Calculation Agent representing the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in the Current Exchange-traded Contract or the relevant Futures Contract, as the case may be, less the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in the next Current Exchange-traded Contract or Futures Contract, as the case may be, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated *pro rata* amongst the Notes;

"**Settlement Currency**" means the currency specified as such in the applicable Final Terms;

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"**Settlement Price**" has the meaning given it in the applicable Annex to the Terms and Conditions except that (x) in the case of Commodity Linked Notes, references to "Pricing Date" and (y) in the case of Currency Linked Notes, references to "Price Date", shall in each case be deemed to be references to the "Relevant Business Day";

"**Underlying Price<sub>(t)</sub>**" or "**U<sub>(t)</sub>**" means, in respect of a Relevant Business Day and subject as provided in Formulas Condition 1.1(hh);

- (i) in respect of Index Linked Notes, Share Linked Notes, Commodity Linked Notes or Currency Linked Notes, the Settlement Price on such Relevant Business Day; or
- (ii) in respect of Index Linked Notes to which Futures Price Valuation applies, (i) if the Relevant Business Day is the Valuation Date in respect of the relevant Note, the Settlement Price on such Relevant Business Day, or (ii) if the Relevant Business Day is not the Valuation Date in respect of the relevant Note, the Settlement Price or, if First Traded Price Applicable is specified in the applicable Final Terms, the First Traded Price in each case on such Relevant Business Day;

"**Underlying Price<sub>(t-1)</sub>**" or "**U<sub>(t-1)</sub>**" means, in respect of a Relevant Business Day, the Underlying Price(t) for the Relevant Business Day immediately preceding such day; and

"**Unwinding Time Period**" means a period of three hours (in respect of Index Linked Notes and Share Linked Notes) or a period of twelve hours (in respect of Commodity Linked Notes and Currency Linked Notes).

"**Valuation Date**" means, the earlier to occur of:

- (i) the date designated as such by the Issuer provided that such date is determined by the Issuer and notified to the Noteholders in accordance with Base Condition 16 (*Notices*) at the latest on the tenth (10th) Relevant Business Day preceding the contemplated Valuation Date;
- (ii) the date specified in the applicable Final Terms as the Single Final Payout - Leverage Factor Notes Final Valuation Date; or
- (iii) if Put Payout Leverage Factor Notes and/or Call Payout Leverage Factor Notes is specified as applicable in the applicable Final Terms, the relevant Optional Redemption Valuation Date specified in the applicable Final Terms,

provided, in each case, that if such date is not a Relevant Business Day, the Valuation Date will be the next following Relevant Business Day.

Subject as provided below, the Calculation Agent will calculate the Bear Note Value and the Bull Note Value on each Relevant Business Day. In order to make such calculation the Calculation Agent will also calculate the Underlying Price<sub>t</sub> on each Relevant Business Day.

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If, in respect of any Relevant Business Day (including the Valuation Date), the Underlying Price<sub>t</sub> is not available before the Cut-off Time, or (x) such Relevant Business Day is a Disrupted Day (in the case of Share Linked Notes, Currency Linked Notes and Index Linked Notes other than Index Linked Notes in respect of which "Futures Price Valuation" is specified as applicable in the applicable Final Terms), or (y) as a consequence of a Market Disruption Event (in the case of Commodity Linked Notes), the Calculation Agent will determine the Underlying Price<sub>t</sub> for such Relevant Business Day acting in good faith and in a commercially reasonable manner by reference to such source(s) as it considers appropriate.

In the case of Index Linked Notes in respect of which "Futures Price Valuation" is specified as applicable in the applicable Final Terms, if in respect of any Relevant Business Day (including the Valuation Date), the Underlying Price<sub>t</sub> is not available before the Cut-off Time (other than as a result of a Non-Commencement or Discontinuance of an Exchange-traded Contract), the Calculation Agent will determine the Underlying Price<sub>t</sub> for such Relevant Business Day acting in good faith and in a commercially reasonable manner by reference to such source(s) as it considers appropriate.

Notwithstanding the foregoing, if in the determination of the Calculation Agent the Observation Price of the Underlying Reference at one or more time(s) (each such time a "**Reset Event Determination Time**") during any Observation Time Period is (i) equal to or greater than the Reset Threshold (in the case of Bear Notes) or (ii) equal to or less than the Reset Threshold (in the case of Bull Notes) (each a "**Reset Event**"), the Calculation Agent will on each occasion calculate the Reset Price as provided in the "Reset Price" definition above and the Adjusted Bull NV or the Adjusted Bear NV, as the case may be, shall be the Bull Note Value or the Bear Note Value, as the case may be, for such Reset Event Determination Time on such Relevant Business Day. If one or more Reset Events occurs in an Observation Time Period, at Calculation Time<sub>t</sub> falling at the end of such period the Calculation Agent will calculate the Bull Note Value or the Bear Note Value, as the case may be, using the formula set out above except that:

- A.  $FC_t$  is equal to (0) zero;
- B.  $U_{t-1}$  is the Reset Price last calculated prior to Calculation Time<sub>t</sub>;
- C. in the case of Index Linked Notes or Share Linked Notes,  $div_t^{net}$  and  $div_t^{gross}$  will be equal to (0) zero; and
- D. in the case of Commodity Linked Notes and Index Linked Notes to which Futures Price Valuation applies,  $rc_{t-1}$  will be equal to (0) zero.

### ***Description of the Final Payout***

*The percentage change in value of the Notes over one day will be the Leverage Factor which is a constant factor for each Note multiplied by the daily performance of the relevant Underlying*

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*Reference measured as the percentage change of the reference price from one day to the next day adjusted by the applicable Financing Component (which includes a Fee, an Interest Margin and Hedging Cost and may be positive or negative depending on, amongst other things, prevailing interest rates). Bull Notes aim to produce a performance equal to the Leverage Factor (as specified in the applicable Final Terms) multiplied by the performance of the relevant Underlying Reference whereas Bear Notes aim to produce a performance equal to the Leverage Factor times the inverse performance of the relevant Underlying Reference. However, because the performance of the Notes over any period longer than one day will be derived from the compounded daily performance of the relevant Underlying Reference during that period, such Note's performance may differ significantly to the overall performance of the Underlying Reference over that same period.*

### (ii) Multiple Final Payout – Constant Percentage Notes

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Constant Percentage:

$$\text{Nominal Amount} \times \text{Constant Percentage 1}$$

#### *Description of the Final Payout*

*The Final Payout will consist in the Nominal Amount multiplied by a fixed percentage equal to the Constant Percentage 1.*

### (jj) Multiple Final Payout - Normal Performance Notes

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - Normal Performance Notes:

$$\text{Nominal Amount} \times [ \text{Constant Percentage} + \text{Participation Factor} \times \text{Final Redemption Value} ] ;$$

or

$$\text{Nominal Amount} \times \text{Max} [ 0\% ; \text{Constant Percentage} + \text{Participation Factor} \times \text{Final Redemption Value} ] ;$$

or

$$\text{Nominal Amount} \times [ \text{Constant Percentage} + \text{Participation Factor} \times \text{Max} ( \text{Floor Percentage} , \text{Gearing} \times \text{Final Redemption Value} ) ] ;$$

or

$$\text{Nominal Amount} \times [ \text{Constant Percentage} + \text{Participation Factor} \times \text{Min} ( \text{Floor Percentage} , \text{Gearing} \times \text{Final Redemption Value} ) ] ;$$

or

$$\text{Nominal Amount} \times \{ \text{Constant Percentage} + \text{Participation Factor 1} \times \text{Min} [ ( \text{Cap Percentage} ; \text{Participation Factor 2} \times \text{Max} ( \text{Floor Percentage} ; \text{Gearing} \times \text{Final Redemption Value} ) ) ] \}$$

where:

"**Participation Factor 1**" is as defined in the relevant Final Terms;

"Participation Factor 2" is as defined in the relevant Final Terms.

***Description of the Final Payout***

*The Final Payout will consist in the Nominal Amount multiplied by (i) a Constant Percentage or a Protection Level and (ii) a participation factor augmented of the performance of the Underlying Reference. Such performance may be subject to a floor of the Floor Percentage, a Gearing, a cap of the Cap Percentage.*

**(kk) Multiple Final Payout - Performance Differential Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - Performance Differential Notes:

Nominal Amount  $\times$  [ Constant Percentage + Participation Factor  $\times$  ( Beta 1  $\times$  Final Redemption Value 1 – Beta 2  $\times$  Final Redemption Value 2 ) ];

Nominal Amount  $\times$  { Constant Percentage + Participation Factor  $\times$  Max [ ( Beta 1  $\times$  Final Redemption Value 1 – Beta 2  $\times$  Final Redemption Value 2 ) ; Floor ] }; or

Nominal Amount  $\times$  { Constant Percentage + Participation Factor  $\times$  Min [ ( Beta 1  $\times$  Final Redemption Value 1 – Beta 2  $\times$  Final Redemption Value 2 ) ; Cap ] }; or

Nominal Amount  $\times$  { Constant Percentage + Participation Factor  $\times$  Max [ Min [ ( Beta 1  $\times$  Final Redemption Value 1 – Beta 2  $\times$  Final Redemption Value 2 ) ; Cap ] ; Floor ] };

where:

"Beta 1" is as defined in the relevant Final Terms;

"Beta 2" is as defined in the relevant Final Terms.

***Description of the Final Payout***

*The Final Payout consists in the differential in performance between two Underlying References and in a Constant Percentage. Such differential in performance is subject to certain participation factors.*

**(ll) Multiple Final Payout – 1-Way Floor Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – 1-Way Floor Notes:

Nominal Amount  $\times$  [ Constant Percentage 1 + Max ( Constant Percentage 2 + Gearing  $\times$  Option; Constant Percentage 3 ) ]

where:



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"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means  $\text{Max (EDS Percentage, Min (Constant Percentage 4 - nEDS} \times \text{Loss Percentage, Constant Percentage 5))}$ ;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**EDS Percentage**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage**" is as defined in the relevant Final Terms;

"**Forward**" means  $\text{Final Redemption Value - Strike Percentage}$ ;

"**Put**" means  $\text{Max (Strike Percentage - Final Redemption Value; Constant Percentage 4)}$ ;

"**Put Spread**" means  $\text{Min (Max (Strike Percentage - Final Redemption Value; Constant Percentage 4); Spread Percentage)}$ ; and

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

"**Call**" means  $\text{Max (Final Redemption Value - Strike Percentage; Constant Percentage 4)}$ ;

"**Call Spread**" means  $\text{Min (Max (Final Redemption Value - Strike Percentage; Constant Percentage 4); Spread Percentage)}$ ;

provided that if Physical Delivery Option 1 is specified as applicable in the applicable Final Terms no Final Redemption Amount, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout is subject to a minimum and comprises:*

- *a fixed percentage and if Option is Put, Put Spread, Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *a fixed percentage and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *a fixed percentage and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage; subject to Gearing.*

- *Physical Delivery may also apply.*

**(mm) Multiple Final Payout – 1-Way Cap Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – 1-Way Cap Notes:

$$\text{Nominal Amount} \times [ \text{Constant Percentage 1} + \text{Min} ( \text{Constant Percentage 2} + \text{Gearing} \times \text{Option}; \text{Constant Percentage 3} ) ]$$

where:

**"Option"** means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

**"EDS"** means Max (EDS Percentage, Min (Constant Percentage 4 – nEDS × Loss Percentage, Constant Percentage 5));

**"nEDS"** means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

**"EDS Percentage"** is as defined in the relevant Final Terms;

**"EDS Barrier Percentage"** is as defined in the relevant Final Terms;

**"Forward"** means Final Redemption Value – Strike Percentage;

**"Put"** means Max (Strike Percentage – Final Redemption Value; Constant Percentage 4);

**"Put Spread"** means Min (Max (Strike Percentage – Final Redemption Value; Constant Percentage 4); Spread Percentage);

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

**"Call"** means Max (Final Redemption Value - Strike Percentage; Constant Percentage 4);

**"Call Spread"** means Min (Max (Final Redemption Value - Strike Percentage; Constant Percentage 4); Spread Percentage);

provided that if Physical Delivery Option 1 is specified as applicable in the applicable Final Terms no Final Redemption Amount, will be payable and Physical Delivery will apply.

***Description of the Final Payout***

*The Final Payout is subject to a maximum and comprises:*

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- *a fixed percentage and if Option is Put, Put Spread, Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *a fixed percentage and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *a fixed percentage and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage; subject to Gearing.*
- *Physical Delivery may also apply.*

### (nn) **Multiple Final Payout – 2-Way Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – 2-Way Notes:

$$\text{Nominal Amount} \times [ 2\text{-Way Percentage} + \text{Participation Factor 1} \times \text{Max} ( \text{Constant Percentage 1} + \text{Gearing 1} \times \text{Option 1}; \text{Constant Percentage 2} ) + \text{Participation Factor 2} \times \text{Min} ( \text{Constant Percentage 3} + \text{Gearing 2} \times \text{Option 2}; \text{Constant Percentage 4} ) ]$$

where:

"**2-Way Percentage**" is as defined in the relevant Final Terms;

"**Participation Factor 1**" is as defined in the relevant Final Terms;

"**Participation Factor 2**" is as defined in the relevant Final Terms;

"**Gearing 1**" is as defined in the relevant Final Terms;

"**Gearing 2**" is as defined in the relevant Final Terms;

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

#### **Option 1**

"**EDS 1**" means  $\text{Max} ( \text{EDS Percentage 1}, \text{Min} ( \text{Constant Percentage 5} - n\text{EDS 1} \times \text{Loss Percentage 1}, \text{Constant Percentage 6} ) )$ ;

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"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Forward 1**" means Final Redemption Value 1 – Strike Percentage 1;

"**Put 1**" means Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 7);

"**Put Spread 1**" means Min (Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 8); Spread Percentage 1);

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

"**Call 1**" means Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 9);

"**Call Spread 1**" means Min (Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 10); Spread Percentage 1);

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

### **Option 2**

"**EDS 2**" means Max (EDS Percentage 2, Min (Constant Percentage 11 – nEDS 2 × Loss Percentage 2, Constant Percentage 12));

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Percentage 2**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Forward 2**" means Final Redemption Value 2 – Strike Percentage 2;

"**Put 2**" means Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 13);

"**Put Spread 2**" means Min (Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 14); Spread Percentage 2);

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

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"**Call 2**" means  $\text{Max} (\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 15})$ ;

"**Call Spread 2**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 16}); \text{Spread Percentage 2})$ ;

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

provided that if Physical Delivery Option 1 is specified as applicable in the applicable Final Terms, no Final Redemption Amount, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *a fixed percentage and if Option is Put, Put Spread, Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) with a minimum and a maximum; or*
- *a fixed percentage and if Option is Forward, indexation (subject to Gearing) to the value of the Underlying Reference(s) with a minimum and a maximum; or*
- *a fixed percentage and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, with a minimum and a maximum and subject to Gearing;*
- *Physical Delivery may also apply.*

### **(oo) Multiple Final Payout – Reverse Convertible Notes**

#### **(i) Multiple Final Payout – KI – Reverse Convertible Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – KI – Reverse Convertible Notes:

(A) if no Knock-in Event has occurred:

$\text{Nominal Amount} \times \text{Constant Percentage 1}$ ; or

(B) if a Knock-in Event has occurred:

$\text{Nominal Amount} \times \text{Max} (\text{Constant Percentage 2} + \text{Gearing} \times \text{Option}; \text{Floor Percentage})$

Or

$\text{Nominal Amount} \times \text{Min} (\text{Constant Percentage 2} + \text{Gearing} \times \text{Option}; \text{Cap Percentage})$

where:

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"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means  $\text{Max (EDS Percentage, Min (Constant Percentage 3 - nEDS} \times \text{Loss Percentage, Constant Percentage 4))}$ ;

"**EDS Percentage**" means the amount or percentage specified as such in the applicable Final Terms;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**Forward**" means Final Redemption Value – Strike Percentage;

"**Put**" means  $\text{Max (Strike Percentage - Final Redemption Value; Constant Percentage 3)}$ ;

"**Put Spread**" means  $\text{Min (Max (Strike Percentage - Final Redemption Value; Constant Percentage 3); Spread Percentage)}$ ;

"**Call**" means  $\text{Max (Final Redemption Value - Strike Percentage; Constant Percentage 4)}$ ;

"**Call Spread**" means  $\text{Min (Max (Final Redemption Value - Strike Percentage; Constant Percentage 4); Spread Percentage)}$ ;

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

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (oo)(i) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (oo)(i) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Final Redemption Amount, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*If no Knock-in Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 1.*

*If a Knock-in Event has occurred, the Final Payout is subject to a minimum or a maximum and comprises:*

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage;*

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- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*

*Physical Delivery may also apply.*

**(ii) Multiple Final Payout – KI – Extended Reverse Convertible Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – KI – Extended Reverse Convertible Notes:

(A) if no Knock-in Event has occurred:

Nominal Amount × Constant Percentage 1;

Or

Nominal Amount × Gearing 1 × Max ( Constant Percentage 2 + Gearing 2 × Option 1;  
Floor Percentage 1)

Or

Nominal Amount × Gearing 1 × Min ( Constant Percentage 2 + Gearing 2 × Option 1;  
Cap Percentage 1)

(B) if a Knock-in Event has occurred:

Nominal Amount × Constant Percentage 3;

Or

Nominal Amount × Gearing 3 × Max ( Constant Percentage 4 + Gearing 4 × Option 2;  
Floor Percentage 2)

Or

Nominal Amount × Gearing 3 × Min ( Constant Percentage 4 + Gearing 4 × Option 2;  
Cap Percentage 2)

where:

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

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"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

### Option 1

"**EDS 1**" means  $\text{Max (EDS Percentage 1, Min (Constant Percentage 4 - nEDS 1} \times \text{Loss Percentage 1, Constant Percentage 5))}$ ;

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Forward 1**" means  $\text{Final Redemption Value 1 - Strike Percentage 1}$ ;

"**Put 1**" means  $\text{Max (Strike Percentage 1 - Final Redemption Value 1; Constant Percentage 6)}$ ;

"**Put Spread 1**" means  $\text{Min (Max (Strike Percentage 1 - Final Redemption Value 1; Constant Percentage 7); Spread Percentage 1)}$ ;

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

"**Call 1**" means  $\text{Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 8)}$ ;

"**Call Spread 1**" means  $\text{Min (Max (Final Redemptiojn Value 1 - Strike Percentage 1; Constant Percentage 9); Spread Percentage 1)}$ ;

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

### Option 2

"**EDS 2**" means  $\text{Max (EDS Percentage 2, Min (Constant Percentage 10 - nEDS 2} \times \text{Loss Percentage 2, Constant Percentage 11))}$ ;

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemptioon Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;



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"**EDS Percentage 2**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Forward 2**" means Final Redemption Value 2 – Strike Percentage 2;

"**Put 2**" means Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 12);

"**Put Spread 2**" means Min (Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 13); Spread Percentage 2);

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

"**Call 2**" means Max (Final Redemption Value 2 - Strike Percentage 2; Constant Percentage 14); and

"**Call Spread 2**" means Min (Max (Final Redemption Value 2 - Strike Percentage 2; Constant Percentage 15); Spread Percentage 2);

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

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (oo)(ii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (oo)(ii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Final Redemption Amount, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*If no Knock-in Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 1 or, the Final Payout is subject to gearing and a minimum or a maximum and comprises:*

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to*

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*Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*

*If no Knock-in Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 3 or, the Final Payout is subject to gearing and a minimum or a maximum and comprises:*

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*

*Physical Delivery may also apply.*

### (iii) **Multiple Final Payout – KO – Extended Reverse Convertible Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – KO – Extended Reverse Convertible Notes:

(A) if no Knock-out Event has occurred:

Nominal Amount  $\times$  Constant Percentage 1;

Or

Nominal Amount  $\times$  Gearing 1  $\times$  Max ( Constant Percentage 2 + Gearing 2  $\times$  Option 1;  
Floor Percentage 1)

Or

Nominal Amount  $\times$  Gearing 1  $\times$  Min ( Constant Percentage 2 + Gearing 2  $\times$  Option 1;  
Cap Percentage 1)

(B) if a Knock-out Event has occurred:

Nominal Amount  $\times$  Constant Percentage 3;

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Or

Nominal Amount  $\times$  Gearing 3  $\times$  Max ( Constant Percentage 4 + Gearing 4  $\times$  Option 2;  
Floor Percentage 2)

Or

Nominal Amount  $\times$  Gearing 3  $\times$  Min ( Constant Percentage 4 + Gearing 4  $\times$  Option 2;  
Cap Percentage 2)

where:

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

### **Option 1**

"**EDS 1**" means Max (EDS Percentage 1, Min (Constant Percentage 4 – nEDS 1  $\times$  Loss Percentage 1, Constant Percentage 5));

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Forward 1**" means Final Redemption Value 1 – Strike Percentage 1;

"**Put 1**" means Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 6);

"**Put Spread 1**" means Min (Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 7); Spread Percentage 1);

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

"**Call 1**" means Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 8); and

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"**Call Spread 1**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 9}); \text{Spread Percentage 1})$ ;

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

### Option 2

"**EDS 2**" means  $\text{Max} (\text{EDS Percentage 2}, \text{Min} (\text{Constant Percentage 10} - \text{nEDS 2} \times \text{Loss Percentage 2}, \text{Constant Percentage 11}))$ ;

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Percentage 2**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Forward 2**" means  $\text{Final Redemption Value 2} - \text{Strike Percentage 2}$ ;

"**Put 2**" means  $\text{Max} (\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 12})$ ;

"**Put Spread 2**" means  $\text{Min} (\text{Max} (\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 13}); \text{Spread Percentage 2})$ ;

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

"**Call 2**" means  $\text{Max} (\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 14})$ ; and

"**Call Spread 2**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 15}); \text{Spread Percentage 2})$ ;

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

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (oo)(iii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (oo)(iii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms no Final Redemption Amount, will be payable and Physical Delivery will apply.

### *Description of the Final Payout*

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*If no Knock-out Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 1 or, the Final Payout is subject to gearing and a minimum or a maximum and comprises:*

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*
- *If no Knock-out Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 3 or, the Final Payout is subject to gearing and a minimum or a maximum and comprises:*
- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*

### (iv) **Multiple Final Payout - KO Reverse Convertible Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - KO Reverse Convertible Notes:

- (A) if no Knock-out Event has occurred:

Nominal Amount  $\times$  Constant Percentage 1; or

- (B) if a Knock-out Event has occurred:

Nominal Amount  $\times$  Max (Constant Percentage 2 + Gearing  $\times$  Option; Floor Percentage)

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Or

Nominal Amount  $\times$  Min (Constant Percentage 2+ Gearing  $\times$  Option; Cap Percentage)

where:

"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means Max (EDS Percentage, Min (Constant Percentage 3 – nEDS  $\times$  Loss Percentage, Constant Percentage 4));

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**EDS Percentage**" means the amount or percentage specified as such in the applicable Final Terms;

"**Forward**" means Final Redemption Value – Strike Percentage;

"**Put**" means Max (Strike Percentage – Final Redemption Value; Constant Percentage 3);

"**Put Spread**" means Min (Max (Strike Percentage – Final Redemption Value; Constant Percentage 3); Spread Percentage);

"**Call**" means Max (Final Redemption Value - Strike Percentage; Constant Percentage 3);

"**Call Spread**" means Min (Max (Final Redemption Value - Strike Percentage; Constant Percentage 3); Spread Percentage);

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

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (oo)(iv) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (oo)(iv) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Final Redemption Amount, as applicable, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*If no Knock-out Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 1.*

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*If a Knock-out Event has occurred, the Final Payout is subject to a minimum and comprises:*

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Redemption Value;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*

*Physical Delivery may also apply.*

### (v) **Multiple Final Payout – Vanilla KI Reverse Convertible Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout – Vanilla KI Reverse Convertible Notes:

(A) if no Knock-in Event has occurred:

Nominal Amount  $\times$  Constant Percentage 1; or

(B) if a Knock-in Event has occurred:

Nominal Amount  $\times$  Min ( Cap Percentage, Gearing  $\times$  Final Redemption Value + Constant Percentage 2 );

or

Nominal Amount  $\times$  Max ( Floor Percentage, Gearing  $\times$  Final Redemption Value + Constant Percentage 2 ).

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if no Knock-in Event has occurred, a fixed percentage equal to the Constant Percentage 1; or*
- *if a Knock-in Event has occurred, (A) the minimum of (i) Cap Percentage. and (ii) indexation to the value of the Underlying Reference(s) multiplied for the relevant Gearing and increased by a fixed percentage equal to the Constant Percentage 2 or*

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*(B) the maximum of (i) Floor Percentage and (ii) indexation to the value of the Underlying Reference(s) multiplied for the relevant Gearing and increased by a fixed percentage equal to the Constant Percentage 2.*

### (vi) **Multiple Final Payout – Vanilla KO Reverse Convertible Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Vanilla KO Reverse Convertible Notes:

(A) if no Knock-out Event has occurred:

Nominal Amount  $\times$  Constant Percentage 1; or

(B) if a Knock-out Event has occurred:

Nominal Amount  $\times$  Max ( Floor Percentage, Gearing  $\times$  Final Redemption Value + Constant Percentage 2 );

or

Nominal Amount  $\times$  Min ( Cap Percentage, Gearing  $\times$  Final Redemption Value + Constant Percentage 2 ).

#### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if no Knock-out Event has occurred, a fixed percentage equal to the Constant Percentage 1; or*
- *if a Knock-out Event has occurred, (A) the maximum of (i) Floor Percentage. and (ii) indexation to the value of the Underlying Reference(s) multiplied for the relevant Gearing and increased by a fixed percentage equal to the Constant Percentage 2 or (B) the minimum of (i) Cap Percentage and (ii) indexation to the value of the Underlying Reference(s) multiplied for the relevant Gearing and increased by a fixed percentage equal to the Constant Percentage 2.*

### (vii) **Multiple Final Payout – KIKO Reverse Convertible Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – KIKO Reverse Convertible Notes:

(A) if a Knock-out Event has occurred:

Nominal Amount  $\times$  Max ( Constant Percentage 1 + Gearing 1  $\times$  Option 1; Constant Percentage 2); or

Nominal Amount  $\times$  Min (Constant Percentage 1 + Gearing 1  $\times$  Option 1; Constant Percentage 2 );



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(B) if no Knock-in Event and no Knock-out Event has occurred:

Nominal Amount  $\times$  Constant Percentage 3; or

(C) if a Knock-in Event has occurred:

Nominal Amount  $\times$  Max ( Constant Percentage 4 + Gearing 2  $\times$  Option 2; Constant Percentage 5 ); or

Nominal Amount  $\times$  Min ( Constant Percentage 4 + Gearing 2  $\times$  Option 2; Constant Percentage 5 );

where:

"**Gearing 1**" is as defined in the relevant Final Terms;

"**Gearing 2**" is as defined in the relevant Final Terms;

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

**Option 1**

"**EDS 1**" means Max (EDS Percentage 1, Min (Constant Percentage 6 – nEDS 1  $\times$  Loss Percentage 1, Constant Percentage 7));

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Forward 1**" means Final Redemption Value 1 – Strike Percentage 1;

"**Put 1**" means Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 8);

"**Put Spread 1**" means Min (Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 9); Spread Percentage 1);

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

"**Call 1**" means  $\text{Max}(\text{Final Redemption Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 10})$ ; and

"**Call Spread 1**" means  $\text{Min}(\text{Max}(\text{Final Redemption Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 11}); \text{Spread Percentage 1})$ ;

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

### Option 2

"**EDS 2**" means  $\text{Max}(\text{EDS Percentage 2}, \text{Min}(\text{Constant Percentage 12} - \text{nEDS 2} \times \text{Loss Percentage 2}, \text{Constant Percentage 13}))$ ;

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Percentage 2**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Forward 2**" means  $\text{Final Redemption Value 2} - \text{Strike Percentage 2}$ ;

"**Put 2**" means  $\text{Max}(\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 14})$ ;

"**Put Spread 2**" means  $\text{Min}(\text{Max}(\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 15}); \text{Spread Percentage 2})$ ;

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

"**Call 2**" means  $\text{Max}(\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 16})$ ; and

"**Call Spread 2**" means  $\text{Min}(\text{Max}(\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 17}); \text{Spread Percentage 2})$ ;

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

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provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (oo)(vii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (oo)(vii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1 (oo) (vii) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms no Final Redemption Amount, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*If no Knock-in Event and no Knock-out Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage.*

*If a Knock-in Event or a Knock-out Event has occurred, the Final Payout is subject to a minimum or a maximum and comprises:*

- *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
- *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Redemption Value; or*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*

*Physical Delivery may also apply.*

### **(viii) Multiple Final Payout – KIKO Extended Reverse Convertible Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – KIKO Extended Reverse Convertible Notes:

(A) if a Knock-out Event has occurred:

Nominal Amount  $\times$  ( Bonus Percentage 1 + Constant Percentage 1 ); or

Nominal Amount  $\times$  Max ( Constant Percentage 1 + Gearing 1  $\times$  Option 1; Constant Percentage 2); or

Nominal Amount  $\times$  Min (Constant Percentage 1 + Gearing 1  $\times$  Option 1; Constant Percentage 2 );

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(B) if no Knock-in Event and no Knock-out Event has occurred:

Nominal Amount  $\times$  ( Bonus Percentage 2 + Constant Percentage 3 ); or

Nominal Amount  $\times$  Max ( Constant Percentage 3 + Gearing 2  $\times$  Option 2; Constant Percentage 4); or

Nominal Amount  $\times$  Min (Constant Percentage 3 + Gearing 2  $\times$  Option 2; Constant Percentage 4 );

(C) if a Knock-in Event has occurred:

Nominal Amount  $\times$  ( Bonus Percentage 3 + Constant Percentage 5 ); or

Nominal Amount  $\times$  Max ( Constant Percentage 5 + Gearing 3  $\times$  Option 3; Constant Percentage 6 ); or

Nominal Amount  $\times$  Min ( Constant Percentage 5 + Gearing 3  $\times$  Option 3; Constant Percentage 6 );

where:

"**Gearing 1**" is as defined in the relevant Final Terms;

"**Gearing 2**" is as defined in the relevant Final Terms;

"**Gearing 3**" is as defined in the relevant Final Terms;

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

"**Option 3**" means Put 3, Put Spread 3, Call 3, Call Spread 3, EDS 3 or Forward 3 as specified in the applicable Final Terms;

**Option 1**

"**EDS 1**" means Max (EDS Percentage 1, Min (Constant Percentage 6 – nEDS 1  $\times$  Loss Percentage 1, Constant Percentage 7));

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

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"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Forward 1**" means Final Redemption Value 1 – Strike Percentage 1;

"**Put 1**" means Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 8);

"**Put Spread 1**" means Min (Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 9); Spread Percentage 1);

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

"**Call 1**" means Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 10); and

"**Call Spread 1**" means Min (Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 11); Spread Percentage 1);

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

### **Option 2**

"**EDS 2**" means Max (EDS Percentage 2, Min (Constant Percentage 12 – nEDS 2 × Loss Percentage 2, Constant Percentage 13));

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Percentage 2**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Forward 2**" means Final Redemption Value 2 – Strike Percentage 2;

"**Put 2**" means Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 14);

"**Put Spread 2**" means Min (Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 15); Spread Percentage 2);

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

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"**Call 2**" means  $\text{Max}(\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 16})$ ; and

"**Call Spread 2**" means  $\text{Min}(\text{Max}(\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 17}); \text{Spread Percentage 2})$ ;

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

### **Option 3**

"**EDS 3**" means  $\text{Max}(\text{EDS Percentage 3}, \text{Min}(\text{Constant Percentage 18} - \text{nEDS 3} \times \text{Loss Percentage 3}, \text{Constant Percentage 19}))$ ;

"**nEDS 3**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 3;

"**EDS Percentage 3**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 3**" is as defined in the relevant Final Terms;

"**Forward 3**" means  $\text{Final Redemption Value 3} - \text{Strike Percentage 3}$ ;

"**Put 3**" means  $\text{Max}(\text{Strike Percentage 3} - \text{Final Redemption Value 3}; \text{Constant Percentage 20})$ ;

"**Put Spread 3**" means  $\text{Min}(\text{Max}(\text{Strike Percentage 3} - \text{Final Redemption Value 3}; \text{Constant Percentage 21}); \text{Spread Percentage 3})$ ;

"**Spread Percentage 3**" means the percentage specified as such in the applicable Final Terms;

"**Call 3**" means  $\text{Max}(\text{Final Redemption Value 3} - \text{Strike Percentage 3}; \text{Constant Percentage 22})$ ; and

"**Call Spread 3**" means  $\text{Min}(\text{Max}(\text{Final Redemption Value 3} - \text{Strike Percentage 3}; \text{Constant Percentage 23}); \text{Spread Percentage 3})$ ;

"**Strike Percentage 3**" means the percentage specified as such in the applicable Final Terms;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (oo)(viii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (oo)(viii) apply and Physical Delivery Option 2 is specified as applicable in the applicable

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Final Terms, or (cc) if the provisions of sub- paragraph (C) of this Formulas Condition 1.1. (oo) (viii) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms no Final Redemption Amount, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*If a Knock-in Event or a Knock-out Event has occurred, if no Knock-in Event and no Knock-out Event has occurred or the Final Payout is subject to a minimum or a maximum and comprises:*

- *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
- *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Redemption Value; or*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*

*Physical Delivery may also apply.*

### **(pp) Multiple Final Payout – Plain Vanilla Notes**

#### **(i) Multiple Final Payout – Plain Vanilla Call Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Plain Vanilla Call Notes:

$$\text{Nominal Amount} \times [ \text{Constant Percentage 1} + \text{Gearing 1} \times \text{Max} ( \text{Gearing 2} \times ( \text{Final Redemption Value} - \text{Strike Percentage} ), \text{Floor Percentage} ) ]$$

### ***Description of the Final Payout***

*The Final Payout comprises an amount equal to the Nominal Amount multiplied by a Constant Percentage1 and indexed (subject to Gearing) to the geared value of the Underlying Reference(s) above the Strike Percentage, subject to a Floor Percentage.*

#### **(ii) Multiple Final Payout – Plain Vanilla Call Spread Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Plain Vanilla Call Spread Notes:

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$$\text{Nominal Amount} \times \{ \text{Constant Percentage 1} + \text{Gearing 1} \times \text{Min} [ \text{Max} (\text{Gearing 2} \times (\text{Final Redemption Value} - \text{Strike Percentage}); \text{Floor Percentage}), \text{Cap Percentage} ] \}$$

### ***Description of the Final Payout***

*The Final Payout comprises an amount equal to the Nominal Amount multiplied by a Constant Percentage 1 and indexed (subject to Gearing) to the geared value of the Underlying Reference(s) above the Strike Percentage, subject to a Floor Percentage. This indexation cannot be higher than a Cap Percentage.*

### (iii) **Multiple Final Payout – Plain Vanilla Put Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Plain Vanilla Put Notes:

$$\text{Nominal Amount} \times [ \text{Constant Percentage 1} + \text{Gearing 1} \times \text{Max} ( \text{Gearing 2} \times ( \text{Strike Percentage} - \text{Final Redemption Value} ) ); \text{Floor Percentage} ]$$

### ***Description of the Final Payout***

*The Final Payout comprises an amount equal to the Nominal Amount multiplied by Constant Percentage 1 and indexed (subject to Gearing) to the geared value of the Underlying Reference(s) below the Strike Percentage, subject to a Floor Percentage.*

### (iv) **Multiple Final Payout – Plain Vanilla Put Spread Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout – Plain Vanilla Put Spread Notes:

$$\text{Nominal Amount} \times \{ \text{Constant Percentage 1} + \text{Gearing 1} \times \text{Min} [ \text{Max} (\text{Gearing 2} \times (\text{Strike Percentage} - \text{Final Redemption Value}); \text{Floor Percentage}); \text{Cap Percentage} ] \}$$

### ***Description of the Final Payout***

*The Final Payout comprises an amount equal to the Nominal Amount multiplied by a Constant Percentage 1 and indexed (subject to Gearing) to the value of the Underlying Reference(s) below the Strike Percentage, subject to a Floor Percentage. This indexation cannot be higher than a Cap Percentage.*

### (v) **Multiple Final Payout – Plain Vanilla KI Digital Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout – Plain Vanilla KI Digital Notes:

(A) if a Knock-in Event has occurred:

$$\text{Nominal Amount} \times ( \text{Constant Percentage 1} + \text{Bonus Coupon} ); \text{ or}$$



(B) if no Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Constant Percentage 2.}$$

***Description of the Final Payout***

*The Final Payout comprises:*

- *if a Knock-in event has occurred, a fixed percentage and a Bonus Coupon.*
- *if a Knock-in event has not occurred, a different fixed percentage.*

(vi) **Multiple Final Payout – Plain Vanilla KO Digital Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Plain Vanilla KO Digital Notes:

(A) if a Knock-out Event has occurred:

$$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Bonus Coupon}); \text{ or}$$

(B) if no Knock-out Event has occurred:

$$\text{Nominal Amount} \times \text{Constant Percentage 2.}$$

***Description of the Final Payout***

*The Final Payout comprises:*

- *if a Knock-out event has occurred, a fixed percentage and a Bonus Coupon.*
- *if a Knock-out event has not occurred, a different fixed percentage.*

(vii) **Multiple Final Payout – Geared Knock-in Vanilla Call Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Geared Knock-in Vanilla Call Notes:

(A) if a Knock-in Event has occurred:

$$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Gearing 1} \times \text{Max} (\text{Gearing 2} \times (\text{Final Redemption Value} - \text{Strike Percentage}), \text{Floor Percentage})); \text{ or}$$

(B) if no Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Constant Percentage 2}$$

***Description of the Final Payout***

*The Final Payout comprises:*

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- *a fixed percentage; and*
- *if a Knock-in Event has occurred, an indexation (subject to Gearing) to the geared value of the Underlying Reference(s) above the Strike Percentage, subject to a Floor Percentage.*

### (viii) Multiple Final Payout – Geared Knock-out Vanilla Call Notes

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Geared Knock-out Vanilla Call Notes:

- (A) if no Knock-out Event has occurred:

Nominal Amount  $\times$  (Constant Percentage 1 + Gearing 1  $\times$  Max (Gearing 2  $\times$  (Final Redemption Value - Strike Percentage), Floor Percentage ) ); or

- (B) if a Knock-out Event has occurred:

Nominal Amount  $\times$  Constant Percentage 2

### *Description of the Final Payout*

*The Final Payout comprises:*

- *a fixed percentage; and*
- *if no Knock-out Event has occurred, an indexation (subject to Gearing) to the geared value of the Underlying Reference(s) above the Strike Percentage, subject to a Floor Percentage.*

### (qq) Multiple Final Payout – Standard Asian Notes

#### (i) Multiple Final Payout – Standard Asian Notes

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Standard Asian Notes:

- (A) if Standard Asian Call Local Cap is specified as applicable then:

Nominal Amount  $\times$  ( Constant Percentage 1 + Gearing  $\times$  Max ( Sum ( i = 1, 2, ..., M )  $W_{(i)}$   $\times$  ( Min ( Max ( Final Redemption Value<sub>(i)</sub> - Strike Percentage<sub>(i)</sub>, Local Floor Percentage<sub>(i)</sub> ), Local Cap Percentage<sub>(i)</sub> ) ) ; Floor Percentage ) )

- (B) If Standard Asian Call Local Cap is specified as not applicable:

Nominal Amount  $\times$  ( Constant Percentage 1 + Gearing  $\times$  Max ( Sum ( i = 1, 2, ..., M )  $W_{(i)}$   $\times$  Max ( Final Redemption Value<sub>(i)</sub> - Strike Percentage<sub>(i)</sub>, Local Floor Percentage<sub>(i)</sub> ) ) ; Floor Percentage ) )

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(C) If Standard Asian Put Local Cap is specified as applicable, then:

$$\text{Nominal Amount} \times ( \text{Constant Percentage } 1 + \text{Gearing} \times \text{Max} ( \text{Sum} ( i = 1, 2, \dots, M ) W_{(i)} \times ( \text{Min} ( \text{Max} ( \text{Strike Percentage}_{(i)} - \text{Final Redemption Value}_{(i)}, \text{Local Floor Percentage}_{(i)} ), \text{Local Cap Percentage}_{(i)} ) ) ; \text{Floor Percentage} ) )$$

(D) If Standard Asian Put Local Cap is specified as not applicable:

$$\text{Nominal Amount} \times ( \text{Constant Percentage } 1 + \text{Gearing} \times \text{Max} ( \text{Sum} ( i = 1, 2, \dots, M ) W_{(i)} \times \text{Max} ( \text{Strike Percentage}_{(i)} - \text{Final Redemption Value}_{(i)} , \text{Local Floor Percentage}_{(i)} ) ; \text{Floor Percentage} ) )$$

where:

"**Final Redemption Value<sub>(i)</sub>**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Local Floor Percentage<sub>(i)</sub>**" as defined in the applicable Final Terms;

"**Local Cap Percentage<sub>(i)</sub>**" is as defined in the applicable Final Terms;

"**M**" is as defined in the applicable Final Terms;

"**W<sub>(i)</sub>**" is as defined in the applicable Final Terms;

"**Strike Percentage<sub>(i)</sub>**" is as defined in the applicable Final Terms;

"**Standard Asian Call Local Cap**" is as defined in the applicable Final Terms;

"**Standard Asian Put Local Cap**" is as defined in the applicable Final Terms.

***Description of the Final Payout***

*The Final Payout comprises a fixed percentage equal to Constant Percentage 1, an indexation (subject to Gearing) to the value of the Underlying Reference(s) when the average value is above or below the Strike Percentage subject to a Local Floor Percentage and, possibly, a Local Cap Percentage on each observation and a Floor Percentage.*

(ii) **Multiple Final Payout – Standard Collared Asian Spread Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Standard Collared Asian Spread Notes:

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(A) If Standard Collared Asian Call Local Cap is specified as applicable then:

$$\text{Nominal Amount} \times (\text{Constant Percentage} + \text{Gearing} \times \text{Min} (\text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times (\text{Min} (\text{Max} (\text{Final Redemption Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}), \text{Local Cap Percentage}_{(i)})) ; \text{Floor Percentage})); \text{Cap Percentage} )$$

(B) If Standard Collared Asian Call Local Cap is specified as not applicable:

$$\text{Nominal Amount} \times (\text{Constant Percentage} + \text{Gearing} \times \text{Min} (\text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times \text{Max} (\text{Final Redemption Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}); \text{Floor Percentage})); \text{Cap Percentage} )$$

(C) If Standard Collared Asian Put Local Cap is specified as applicable then:

$$\text{Nominal Amount} \times (\text{Constant Percentage} + \text{Gearing} \times \text{Min} (\text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times (\text{Min} (\text{Max} (\text{Strike Percentage}_{(i)} - \text{Final Redemption Value}_{(i)}, \text{Local Floor Percentage}_{(i)}), \text{Local Cap Percentage}_{(i)})) ; \text{Floor Percentage})); \text{Cap Percentage} )$$

(D) If Standard Collared Asian Put Local Cap is specified as not applicable:

$$\text{Nominal Amount} \times (\text{Constant Percentage} + \text{Gearing} \times \text{Min} [ \text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times \text{Max} (\text{Strike Percentage}_{(i)} - \text{Final Redemption Value}_{(i)}, \text{Local Floor Percentage}_{(i)}); \text{Floor Percentage} ] ; \text{Cap Percentage} )$$

where:

**"Final Redemption Value<sub>(i)</sub>"** means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Local Floor Percentage<sub>(i)</sub>"** as defined in the applicable Final Terms;

**"Local Cap Percentage<sub>(i)</sub>"** is as defined in the applicable Final Terms;

**"M"** is as defined in the applicable Final Terms;

**"W<sub>(i)</sub>"** is as defined in the applicable Final Terms;

**"Strike Percentage<sub>(i)</sub>"** is as defined in the applicable Final Terms;

**"Standard Collared Asian Call Local Cap"** is as defined in the applicable Final Terms;

**"Standard Collared Asian Put Local Cap"** is as defined in the applicable Final Terms.

***Description of the Final Payout***

*The Final Payout comprises a fixed percentage equal to Constant Percentage 1 and an indexation (subject to Gearing) to the value of the Underlying Reference(s) when the average value is above the Strike Percentage subject to a Local Floor Percentage and, possibly, a Local Cap Percentage on each observation and a Floor Percentage and a Cap Percentage.*

**(rr) Multiple Final Payout Standard Himalaya Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - Standard Himalaya Notes:

$$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Gearing} \times \text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times \text{Max} (\text{Best Lock Value}_{(i)} - \text{Strike Percentage}_{(i)}; \text{Local Floor Percentage}_{(i)}); \text{Floor Percentage}))$$

where:

"**Local Floor Percentage<sub>(i)</sub>**" is as defined in the applicable Final Terms;

"**M**" is as defined in the applicable Final Terms;

"**W<sub>(i)</sub>**" is as defined in the applicable Final Terms; and

"**BestLockValue<sub>(i)</sub>**" means the highest Underlying Reference Value on MFP Valuation Date<sub>(i)</sub> of the Underlying Reference(s) in Relevant Basket<sub>(i)</sub>; and

"**Relevant Basket<sub>(i)</sub>**" means, in respect of MFP Valuation Date<sub>(i)</sub>, a Basket comprising each Underlying Reference in Relevant Basket<sub>(i-1)</sub> but excluding the Underlying Reference in relation to BestLockValue<sub>(i-1)</sub>. Relevant Basket<sub>(i=1)</sub> will be set out in the applicable Final Terms.

"**Strike Percentage<sub>(i)</sub>**" is as defined in the applicable Final Terms;

***Description of the Final Payout***

*The Final Payout comprises a fixed percentage equal to Constant Percentage 1 and an indexation (subject to Gearing) to the Underlying References above the Strike Percentage in accordance with certain selection criteria on each MFP Valuation Date. In particular, the value of the best performing Underlying Reference in the basket is calculated and then removed from such basket for the following MFP Valuation Dates, therefore providing an indexation to the average of those calculated values (the BestLockValues) above the Strike Percentage. The minimum level is equal to Floor Percentage.*

**(ss) Multiple Final Payout – Dispersion Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Dispersion Notes:

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$$\text{Nominal Amount} \times [ \text{Constant Percentage 1} + \text{Max} ( \text{Global Floor Percentage}; ( 1/K ) \times \text{Sum} ( k=1, 2, \dots, K ) \text{ Dispersion Value}_{(k)} - \text{Strike Percentage} ) ]$$

where:

"**Dispersion Value<sub>(k)</sub>**" means, in respect of the relevant Underlying Reference(k), the absolute value of: [ Final Redemption Value<sub>(k)</sub> – Basket Value ]

### ***Description of the Payout***

*The Payout comprises indexation to the average value of the Underlying Reference(s) when the average value is above the Strike Percentage subject to a minimum level of the Global Floor Percentage.*

### **(tt) Multiple Final Payout - Step Notes**

#### **(i) Multiple Final Payout - 3-Step Knock-in Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - 3-Step Knock-in Notes:

(A) if the Final Redemption Condition is satisfied:

$$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{FR Exit Rate}); \text{ or}$$

(B) if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred:

$$\text{Nominal Amount} \times (\text{Constant Percentage 2} + \text{Coupon Airbag Percentage})$$

(C) if the Final Redemption Condition is not satisfied and a Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Max} (\text{Constant Percentage 3} + \text{Gearing} \times \text{Option}; \text{Floor Percentage})$$

where:

"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means  $\text{Max} (\text{Floor Percentage}, \text{Min} (\text{Constant Percentage 4} - \text{nEDS} \times \text{Loss Percentage}, \text{Constant Percentage 5}))$ ;

"**Forward**" means Final Redemption Value – Strike Percentage;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or

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equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**Call**" means  $\text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}; \text{Constant Percentage } 4)$ ;

"**Call Spread**" means  $\text{Min}(\text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}; \text{Constant Percentage } 4); \text{Spread Percentage})$ ;

"**Put**" means  $\text{Max}(\text{Strike Percentage} - \text{Final Redemption Value}; \text{Constant Percentage } 4)$ ;

"**Put Spread**" means  $\text{Min}(\text{Max}(\text{Strike Percentage} - \text{Final Redemption Value}; \text{Constant Percentage } 4); \text{Spread Percentage})$

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (tt)(i) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (tt) (i) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1 (tt)(i) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms, no Final Redemption Amount will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if the Final Redemption Condition is satisfied, a fixed percentage plus a final exit rate (equal to the FR Exit Rate);*
- *if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred, a fixed percentage (that may differ from the above fixed percentage) plus the Coupon Airbag Percentage;*
- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum; or*
- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum; or*
- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage,*

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*subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*

- *Physical Delivery may also apply.*

### (ii) **Multiple Final Payout - 3-Step Plus Knock-in Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - 3-Step Plus Knock-in Notes:

- (A) if the Final Redemption Condition is satisfied:

Nominal Amount  $\times$  Max (Constant Percentage 1 + Gearing 1  $\times$  Option 1; Floor Percentage 1)

Or

Nominal Amount  $\times$  Min (Constant Percentage 1 + Gearing 1  $\times$  Option 1; Cap Percentage 1); or

- (B) if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred:

Nominal Amount  $\times$  (Constant Percentage 2 + Coupon Airbag Percentage)

- (C) if the Final Redemption Condition is not satisfied and a Knock-in Event has occurred:

Nominal Amount  $\times$  Max (Constant Percentage 3 + Gearing 2  $\times$  Option 2; Floor Percentage 2)

Or

Nominal Amount  $\times$  Min (Constant Percentage 3 + Gearing 2  $\times$  Option 2; Cap Percentage 2)

where:

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

### **Option 1**

"**EDS 1**" means Max (EDS Percentage 1, Min (Constant Percentage 4 – nEDS 1  $\times$  Loss Percentage 1, Constant Percentage 5));

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or



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equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Forward 1**" means Final Redemption Value 1 – Strike Percentage 1;

"**Put 1**" means Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 6);

"**Put Spread 1**" means Min (Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 7); Spread Percentage 1);

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

"**Call 1**" means Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 8); and

"**Call Spread 1**" means Min (Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 9); Spread Percentage 1);

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

### **Option 2**

"**EDS 2**" means Max (EDS Percentage 2, Min (Constant Percentage 10 – nEDS 2 × Loss Percentage 2, Constant Percentage 11));

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Percentage 2**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Forward 2**" means Final Redemption Value 2 – Strike Percentage 2;

"**Put 2**" means Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 12);

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"**Put Spread 2**" means  $\text{Min} (\text{Max} (\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 13}); \text{Spread Percentage 2})$ ;

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

"**Call 2**" means  $\text{Max} (\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 14})$ ; and

"**Call Spread 2**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 15}); \text{Spread Percentage 2})$ ;

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

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (tt)(ii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (tt)(ii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1. (tt)(ii) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms no Final Redemption Amount, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if the Final Redemption Condition is satisfied, and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is satisfied, and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is satisfied, and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*

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- *if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred, a fixed percentage (that may differ from the above fixed percentage) plus the Coupon Airbag Percentage;*
- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*
- *Physical Delivery may also apply.*

### (iii) **Multiple Final Payout - 3-Step Extended Knock-in Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - 3-Step Extended Knock-in Notes:

- (A) if the Final Redemption Condition is satisfied:

$$\text{Nominal Amount} \times \text{Max (Constant Percentage 1 + Gearing 1} \times \text{Option 1; Floor Percentage 1)}$$

Or

$$\text{Nominal Amount} \times \text{Min (Constant Percentage 1 + Gearing 1} \times \text{Option 1; Cap Percentage 1); or}$$

$$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Coupon Airbag Percentage 1})$$

- (B) if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Max (Constant Percentage 2 + Gearing 2} \times \text{Option 2; Floor Percentage 2)}$$

Or

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Nominal Amount  $\times$  Min (Constant Percentage 2 + Gearing 2  $\times$  Option 2; Cap Percentage 2); or

Nominal Amount  $\times$  (Constant Percentage 2 + Coupon Airbag Percentage 2)

(C) if the Final Redemption Condition is not satisfied and a Knock-in Event has occurred:

Nominal Amount  $\times$  Max (Constant Percentage 3 + Gearing 3  $\times$  Option 3; Floor Percentage 3)

Or

Nominal Amount  $\times$  Min (Constant Percentage 3 + Gearing 3  $\times$  Option 3; Cap Percentage 3) or

Nominal Amount  $\times$  (Constant Percentage 3 + Coupon Airbag Percentage 3)

where:

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

"**Option 3**" means Put 3, Put Spread 3, Call 3, Call Spread 3, EDS 3 or Forward 3 as specified in the applicable Final Terms;

**Option 1**

"**EDS 1**" means Max (EDS Percentage 1, Min (Constant Percentage 4 – nEDS 1  $\times$  Loss Percentage 1, Constant Percentage 5));

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Forward 1**" means Final Redemption Value 1 – Strike Percentage 1;

"**Put 1**" means Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 6);

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"**Put Spread 1**" means  $\text{Min} (\text{Max} (\text{Strike Percentage 1} - \text{Final Redemption Value 1}; \text{Constant Percentage 7}); \text{Spread Percentage 1})$ ;

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

"**Call 1**" means  $\text{Max} (\text{Final Redemption Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 8})$ ; and

"**Call Spread 1**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 9}); \text{Spread Percentage 1})$ ;

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

### Option 2

"**EDS 2**" means  $\text{Max} (\text{EDS Percentage 2}, \text{Min} (\text{Constant Percentage 10} - \text{nEDS 2} \times \text{Loss Percentage 2}, \text{Constant Percentage 11}))$ ;

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Percentage 2**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Forward 2**" means  $\text{Final Redemption Value 2} - \text{Strike Percentage 2}$ ;

"**Put 2**" means  $\text{Max} (\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 12})$ ;

"**Put Spread 2**" means  $\text{Min} (\text{Max} (\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 13}); \text{Spread Percentage 2})$ ;

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

"**Call 2**" means  $\text{Max} (\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 14})$ ; and

"**Call Spread 2**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 15}); \text{Spread Percentage 2})$ ;

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

### **Option 3**

"**EDS 3**" means  $\text{Max (EDS Percentage 3, Min (Constant Percentage 16 - nEDS 3} \times \text{Loss Percentage 3, Constant Percentage 17))}$ ;

"**nEDS 3**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 3;

"**EDS Percentage 3**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 3**" is as defined in the relevant Final Terms;

"**Forward 3**" means  $\text{Final Redemption Value 3 - Strike Percentage 3}$ ;

"**Put 3**" means  $\text{Max (Strike Percentage 3 - Final Redemption Value 3; Constant Percentage 18)}$ ;

"**Put Spread 3**" means  $\text{Min (Max (Strike Percentage 3 - Final Redemption Value 3; Constant Percentage 19); Spread Percentage 3)}$ ;

"**Spread Percentage 3**" means the percentage specified as such in the applicable Final Terms;

"**Call 3**" means  $\text{Max (Final Redemption Value 3 - Strike Percentage 3; Constant Percentage 20)}$ ; and

"**Call Spread 3**" means  $\text{Min (Max (Final Redemption Value 3 - Strike Percentage 3; Constant Percentage 21); Spread Percentage 3)}$ ;

"**Strike Percentage 3**" means the percentage specified as such in the applicable Final Terms;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (tt)(iii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (tt)(iii) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms, or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1 (tt)(iii) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms no Final Redemption Amount, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

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*The Final Payout comprises:*

- *if the Final Redemption Condition is satisfied, and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is satisfied, and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is satisfied, and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout or*
- *if the Final Redemption Condition is satisfied, a fixed percentage*
- *if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred, and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred, and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred, and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout or*
- *if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred, a fixed percentage*
- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*

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- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*
- *if the Final Redemption Condition is not satisfied, a Knock-in Event has occurred, a fixed percentage*
- *Physical Delivery may also apply.*

### (iv) **Multiple Final Payout - 3-Step Knock-out Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - 3-Step Knock-out Notes:

- (A) if the Final Redemption Condition is satisfied:

Nominal Amount  $\times$  (Constant Percentage 1 + FR Exit Rate); or

- (B) if the Final Redemption Condition is not satisfied and no Knock-out Event has occurred:

Nominal Amount  $\times$  (Constant Percentage 2 + Coupon Airbag Percentage)

- (C) if the Final Redemption Condition is not satisfied and a Knock-out Event has occurred:

Nominal Amount  $\times$  Max (Constant Percentage 3 + Gearing  $\times$  Option; Floor Percentage)

where:

"**Option**" means Call, Call Spread, Put, Put Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means Max (Cap Percentage, Min (Constant Percentage 4 – nEDS  $\times$  Loss Percentage, Constant Percentage 5));

"**Forward**" means Final Redemption Value – Strike Percentage;



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"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**Call**" means  $\text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}; \text{Constant Percentage } 4)$ ;

"**Call Spread**" means  $\text{Min}(\text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}; \text{Constant Percentage } 4); \text{Spread Percentage})$ ,

"**Put**" means  $\text{Max}(\text{Strike Percentage} - \text{Final Redemption Value}; \text{Constant Percentage } 4)$ ;  
and

"**Put Spread**" means  $\text{Min}(\text{Max}(\text{Strike Percentage} - \text{Final Redemption Value}; \text{Constant Percentage } 4); \text{Spread Percentage})$

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (tt)(iv) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (tt)(iv) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1 (tt)(iv) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms, no Final Redemption Amount will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if the Final Redemption Condition is satisfied, a fixed percentage plus a final exit rate (equal to the FR Exit Rate);*
- *if the Final Redemption Condition is not satisfied and no Knock-out Event has occurred, a fixed percentage (that may differ from the above fixed percentage);*
- *if the Final Redemption Condition is not satisfied, a Knock- out Event has occurred and if Option is Put, Put Spread, Call or Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) below or above the Strike Percentage, subject to a minimum; or*
- *if the Final Redemption Condition is not satisfied, a Knock- out Event has occurred and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum; or*

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- *if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value lower than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value below this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*
- *Physical Delivery may also apply.*

### (v) **Multiple Final Payout - 3-Step Plus Knock-out Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - 3-Step Plus Knock-out Notes:

- (A) if the Final Redemption Condition is satisfied:

$$\text{Nominal Amount} \times \text{Max} (\text{Constant Percentage 1} + \text{Gearing 1} \times \text{Option 1}; \text{Floor Percentage 1})$$

Or

$$\text{Nominal Amount} \times \text{Min} (\text{Constant Percentage 1} + \text{Gearing 1} \times \text{Option 1}; \text{Cap Percentage 1}); \text{or}$$

- (B) if the Final Redemption Condition is not satisfied and no Knock-out Event has occurred:

$$\text{Nominal Amount} \times (\text{Constant Percentage 2} + \text{Coupon Airbag Percentage})$$

- (C) if the Final Redemption Condition is not satisfied and a Knock-out Event has occurred:

$$\text{Nominal Amount} \times \text{Max} (\text{Constant Percentage 3} + \text{Gearing 2} \times \text{Option 2}; \text{Floor Percentage 2})$$

Or

$$\text{Nominal Amount} \times \text{Min} (\text{Constant Percentage 3} + \text{Gearing 2} \times \text{Option 2}; \text{Cap Percentage 2})$$

where:

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

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### Option 1

"EDS 1" means  $\text{Max (EDS Percentage 1, Min (Constant Percentage 4 - nEDS 1} \times \text{Loss Percentage 1, Constant Percentage 5))}$ ;

"nEDS 1" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"EDS Percentage 1" is as defined in the relevant Final Terms;

"EDS Barrier Percentage 1" is as defined in the relevant Final Terms;

"Forward 1" means  $\text{Final Redemption Value 1 - Strike Percentage 1}$ ;

"Put 1" means  $\text{Max (Strike Percentage 1 - Final Redemption Value 1; Constant Percentage 6)}$ ;

"Put Spread 1" means  $\text{Min (Max (Strike Percentage 1 - Final Redemption Value 1; Constant Percentage 7); Spread Percentage 1)}$ ;

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

"Call 1" means  $\text{Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 8)}$ ; and

"Call Spread 1" means  $\text{Min (Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 9); Spread Percentage 1)}$ ;

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

### Option 2

"EDS 2" means  $\text{Max (EDS Percentage 2, Min (Constant Percentage 10 - nEDS 2} \times \text{Loss Percentage 2, Constant Percentage 11))}$ ;

"nEDS 2" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"EDS Percentage 2" is as defined in the relevant Final Terms;

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"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Forward 2**" means Final Redemption Value 2 – Strike Percentage 2;

"**Put 2**" means Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 12);

"**Put Spread 2**" means Min (Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 13); Spread Percentage 2);

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

"**Call 2**" means Max (Final Redemption Value 2 - Strike Percentage 2; Constant Percentage 14); and

"**Call Spread 2**" means Min (Max (Final Redemption Value 2 - Strike Percentage 2; Constant Percentage 15); Spread Percentage 2);

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

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (tt)(v) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (tt)(v) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, or (cc) if the provisions of sub- paragraph (C) of this Formulas Condition 1.1. (tt)(v) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms no Final Redemption Amount, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if the Final Redemption Condition is satisfied, and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is satisfied, and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is satisfied, and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater*

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*than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*

- *if the Final Redemption Condition is not satisfied and no Knock-out Event has occurred, a fixed percentage (that may differ from the above fixed percentage) plus the Coupon Airbag Percentage;*
- *if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*
- *Physical Delivery may also apply.*

### (vi) **Multiple Final Payout - 3-Step Extended Knock-out Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - 3-Step Extended Knock-out Notes:

- (A) if the Final Redemption Condition is satisfied:

Nominal Amount  $\times$  Max (Constant Percentage 1 + Gearing 1  $\times$  Option 1; Floor Percentage 1)

Or

Nominal Amount  $\times$  Min (Constant Percentage 1 + Gearing 1  $\times$  Option 1; Cap Percentage 1); or

Nominal Amount  $\times$  (Constant Percentage 1 + Coupon Airbag Percentage 1)

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- (B) if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred:

Nominal Amount  $\times$  Max (Constant Percentage 2 + Gearing 2  $\times$  Option 2; Floor Percentage 2)

Or

Nominal Amount  $\times$  Min (Constant Percentage 2 + Gearing 2  $\times$  Option 2; Cap Percentage 2); or

Nominal Amount  $\times$  (Constant Percentage 2 + Coupon Airbag Percentage 2)

- (C) if the Final Redemption Condition is not satisfied and a Knock-in Event has occurred:

Nominal Amount  $\times$  Max (Constant Percentage 3 + Gearing 3  $\times$  Option 3; Floor Percentage 3)

Or

Nominal Amount  $\times$  Min (Constant Percentage 3 + Gearing 3  $\times$  Option 3; Cap Percentage 3) or

Nominal Amount  $\times$  (Constant Percentage 3 + Coupon Airbag Percentage 3)

where:

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

"**Option 3**" means Put 3, Put Spread 3, Call 3, Call Spread 3, EDS 3 or Forward 3 as specified in the applicable Final Terms;

"**Floor Percentage 1**" is as defined in the applicable Final Terms

"**Floor Percentage 2**" is as defined in the applicable Final Terms

"**Floor Percentage 3**" is as defined in the applicable Final Terms

"**Cap Percentage 1**" is as defined in the applicable Final Terms

"**Cap Percentage 2**" is as defined in the applicable Final Terms

"**Cap Percentage 3**" is as defined in the applicable Final Terms

**Option 1**

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"**EDS 1**" means  $\text{Max (EDS Percentage 1, Min (Constant Percentage 4 – nEDS 1} \times \text{Loss Percentage 1, Constant Percentage 5))}$ ;

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Forward 1**" means  $\text{Final Redemption Value 1 – Strike Percentage 1}$ ;

"**Put 1**" means  $\text{Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 6)}$ ;

"**Put Spread 1**" means  $\text{Min (Max (Strike Percentage 1 – Final Redemption Value 1; Constant Percentage 7); Spread Percentage 1)}$ ;

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

"**Call 1**" means  $\text{Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 8)}$ ; and

"**Call Spread 1**" means  $\text{Min (Max (Final Redemption Value 1 - Strike Percentage 1; Constant Percentage 9); Spread Percentage 1)}$ ;

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

### **Option 2**

"**EDS 2**" means  $\text{Max (EDS Percentage 2, Min (Constant Percentage 10 – nEDS 2} \times \text{Loss Percentage 2, Constant Percentage 11))}$ ;

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Percentage 2**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

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"**Forward 2**" means Final Redemption Value 2 – Strike Percentage 2;

"**Put 2**" means Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 12);

"**Put Spread 2**" means Min (Max (Strike Percentage 2 – Final Redemption Value 2; Constant Percentage 13); Spread Percentage 2);

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

"**Call 2**" means Max (Final Redemption Value 2 - Strike Percentage 2; Constant Percentage 14); and

"**Call Spread 2**" means Min (Max (Final Redemption Value 2 - Strike Percentage 2; Constant Percentage 15); Spread Percentage 2);

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

### **Option 3**

"**EDS 3**" means Max (EDS Percentage 3, Min (Constant Percentage 16 – nEDS 3 × Loss Percentage 3, Constant Percentage 17));

"**nEDS 3**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 3;

"**EDS Percentage 3**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 3**" is as defined in the relevant Final Terms;

"**Forward 3**" means Final Redemption Value 3 – Strike Percentage 3;

"**Put 3**" means Max (Strike Percentage 3 – Final Redemption Value 3; Constant Percentage 18);

"**Put Spread 3**" means Min (Max (Strike Percentage 3 – Final Redemption Value 3; Constant Percentage 19); Spread Percentage 3);

"**Spread Percentage 3**" means the percentage specified as such in the applicable Final Terms;



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"**Call 3**" means Max (Final Redemption Value 3 - Strike Percentage 3; Constant Percentage 20); and

"**Call Spread 3**" means Min (Max (Final Redemption Value 3 - Strike Percentage 3; Constant Percentage 21); Spread Percentage 3);

"**Strike Percentage 3**" means the percentage specified as such in the applicable Final Terms;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (tt)(vi) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (tt)(vi) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms, or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1 (tt)(vi) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms no Final Redemption Amount, will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if the Final Redemption Condition is satisfied, and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is satisfied, and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is satisfied, and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout or*
- *if the Final Redemption Condition is satisfied, a fixed percentage*
- *if the Final Redemption Condition is not satisfied and no Knock-out Event has occurred, and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*

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- *if the Final Redemption Condition is not satisfied and no Knock-out Event has occurred, and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is not satisfied and no Knock-out Event has occurred, and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout or*
- *if the Final Redemption Condition is not satisfied and no Knock-out Event has occurred, a fixed percentage*
- *if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*
- *if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred, a fixed percentage*
- *Physical Delivery may also apply.*

### (vii) **Multiple Final Payout – 4-Step Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – 4 Step Notes:

- (A) if the Final Redemption Condition is satisfied:

$$\text{Nominal Amount} \times (\text{Constant Percentage} + \text{FR Exit Rate})$$

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- (B) if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred and no Knock-In Event has occurred:

$$\text{Nominal Amount} \times (\text{Constant Percentage 2} + \text{Coupon Airbag Percentage 1});$$

or

- (C) if the Final Redemption Condition is not satisfied, no Knock-out Event has occurred and no Knock-in Event has occurred:

$$\text{Nominal Amount} \times (\text{Constant Percentage 3} + \text{Coupon Airbag Percentage 2});$$

or

- (D) if the Final Redemption Condition is not satisfied and if no Knock-out Event has occurred but a Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Max} (\text{Constant Percentage 4} + \text{Gearing} \times \text{Option}; \text{Floor Percentage})$$

where:

"**Option**" means Put, Put Spread, Call, Call Spread or Forward as specified in the applicable Final Terms;

"**Forward**" means Final Redemption Value – Strike Percentage;

"**Call**" means Max (Final Redemption Value - Strike Percentage; Constant Percentage 5);  
and

"**Call Spread**" means Min (Max (Final Redemption Value - Strike Percentage; Constant Percentage 5); Spread Percentage),

"**Put**" means Max (Strike Percentage – Final Redemption Value; Constant Percentage 5);  
and

"**Put Spread**" means Min (Max (Strike Percentage – Final Redemption Value; Constant Percentage 5); Cap Percentage).

### **Description of the Final Payout**

*The Final Payout comprises:*

- *if the Final Redemption Condition is satisfied, a fixed percentage plus a final exit rate (equal to the FR Exit Rate);*

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- *if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred and no Knock-in Event has occurred a fixed percentage (that may differ from the above fixed percentage);*
- *if the Final Redemption Condition is not satisfied and no Knock-out Event and no Knock-in Event has occurred, a fixed percentage (that may differ from the above fixed percentages); or*
- *if the Final Redemption Condition is not satisfied and no Knock-out Event has occurred but a Knock-in Event has occurred, if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum; or if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum.*

### (viii) **Multiple Final Payout – 4-Step Extended Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – 4 Step Extended Notes:

- (A) if the Final Redemption Condition is satisfied:

Nominal Amount  $\times$  (Constant Percentage 1 + FR Exit Rate); or

Nominal Amount  $\times$  Max (Constant Percentage 1 + Gearing 1  $\times$  Option 1; Floor Percentage 1)

or

Nominal Amount  $\times$  Min (Constant Percentage 1 + Gearing 1  $\times$  Option 1; Cap Percentage 1); or

- (B) if the Final Redemption Condition is not satisfied, a Knock-out Event has occurred and no Knock-In Event has occurred:

Nominal Amount  $\times$  (Constant Percentage 2 + Coupon Airbag Percentage 1); or

Nominal Amount  $\times$  Max (Constant Percentage 2 + Gearing 2  $\times$  Option 2; Floor Percentage 2)

Or

Nominal Amount  $\times$  Min (Constant Percentage 2 + Gearing 2  $\times$  Option 2; Cap Percentage 2); or

- (C) if the Final Redemption Condition is not satisfied, no Knock-out Event has occurred and no Knock-in Event has occurred:

Nominal Amount  $\times$  (Constant Percentage 3 + Coupon Airbag Percentage 2); or

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Nominal Amount  $\times$  Max (Constant Percentage 3 + Gearing 3  $\times$  Option 3; Floor Percentage 3)

Or

Nominal Amount  $\times$  Min (Constant Percentage 3 + Gearing 3  $\times$  Option 3; Cap Percentage 3); or

- (D) if the Final Redemption Condition is not satisfied and if no Knock-out Event has occurred but a Knock-in Event has occurred:

Nominal Amount  $\times$  (Constant Percentage 4 + Coupon Airbag Percentage 3); or

Nominal Amount  $\times$  Max (Constant Percentage 4 + Gearing 4  $\times$  Option 4; Floor Percentage 4)

Or

Nominal Amount  $\times$  Min (Constant Percentage 4 + Gearing 4  $\times$  Option 4; Cap Percentage 4); or

where:

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

"**Option 3**" means Put 3, Put Spread 3, Call 3, Call Spread 3, EDS 3 or Forward 3 as specified in the applicable Final Terms;

"**Option 4**" means Put 4, Put Spread 4, Call 4, Call Spread 4, EDS 4 or Forward 4 as specified in the applicable Final Terms;

### **Option 1**

"**EDS 1**" means Max (EDS Percentage 1, Min (Constant Percentage 4 – nEDS 1  $\times$  Loss Percentage 1, Constant Percentage 5));

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

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"**Put 1**" means  $\text{Max} (\text{Strike Percentage 1} - \text{Final Redemption Value 1}; \text{Constant Percentage 5})$ ;

"**Put Spread 1**" means  $\text{Min} (\text{Max} (\text{Strike Percentage 1} - \text{Final Redemption Value 1}; \text{Constant Percentage 5}); \text{Cap Percentage 1})$ ;

"**Call 1**" means  $\text{Max} (\text{Final Redemption Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 5})$ ;

"**Call Spread 1**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 5}); \text{Spread Percentage 1})$ ;

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

"**Forward 1**" means  $\text{Final Redemption Value 1} - \text{Strike Percentage 1}$ ;

### Option 2

"**EDS 2**" means  $\text{Max} (\text{EDS Percentage 2}, \text{Min} (\text{Constant Percentage 6} - \text{nEDS 1} \times \text{Loss Percentage 1}, \text{Constant Percentage 7}))$ ;

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Put 2**" means  $\text{Max} (\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 7})$ ; and

"**Put Spread 2**" means  $\text{Min} (\text{Max} (\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 7}); \text{Cap Percentage 2})$ .

"**Call 2**" means  $\text{Max} (\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 7})$ ;

"**Call Spread 2**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 7}); \text{Spread Percentage 3})$

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

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"**Forward 2**" means Final Redemption Value 2 – Strike Percentage 2;

### **Option 3**

"**EDS 3**" means  $\text{Max (EDS Percentage 3, Min (Constant Percentage 8 – nEDS 3} \times \text{Loss Percentage 1, Constant Percentage 9))}$ ;

"**nEDS 3**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 3;

"**EDS Percentage 3**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 3**" is as defined in the relevant Final Terms;

"**Put 3**" means  $\text{Max (Strike Percentage 3– Final Redemption Value 3; Constant Percentage 9)}$ ; and

"**Put Spread 3**" means  $\text{Min (Max (Strike Percentage 3– Final Redemption Value 3; Constant Percentage 9); Cap Percentage 3)}$ .

"**Call 3**" means  $\text{Max (Final Redemption Value 3- Strike Percentage 3; Constant Percentage 9)}$ ;

"**Call Spread 3**" means  $\text{Min (Max (Final Redemption Value 3- Strike Percentage 3; Constant Percentage 9); Spread Percentage 3)}$ ,

"**Spread Percentage 3**" means the percentage specified as such in the applicable Final Terms;

"**Forward 3**" means Final Redemption Value 3 – Strike Percentage 3;

### **Option 4**

"**EDS 4**" means  $\text{Max (EDS Percentage 4, Min (Constant Percentage 10 – nEDS 4} \times \text{Loss Percentage 1, Constant Percentage 11))}$ ;

"**nEDS 4**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 4;

"**EDS Percentage 4**" is as defined in the relevant Final Terms;

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"EDS Barrier Percentage 4" is as defined in the relevant Final Terms;

"Put 4" means Max (Strike Percentage 4– Final Redemption Value 4; Constant Percentage 11); and

"Put Spread 4" means Min (Max (Strike Percentage 4– Final Redemption Value 4; Constant Percentage 11); Cap Percentage 4).

"Call 4" means Max (Final Redemption Value 4- Strike Percentage 4; Constant Percentage 11);

"Call Spread 4" means Min (Max (Final Redemption Value 2- Strike Percentage 4; Constant Percentage 11); Spread Percentage 4),

"Spread Percentage 4" means the percentage specified as such in the applicable Final Terms;

"Forward 4" means Final Redemption Value 4 – Strike Percentage 4;

(ix) **Multiple Final Payout - Standard 3-Step Knock-in Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout – Standard 3 Step Knock-in Notes;

(A) if FR Barrier Value is greater than the Final Redemption Condition Level:

Nominal Amount  $\times$  (Fixed Percentage 1 + FR Exit Rate); or

(B) if FR Barrier Value is less than or equal to the Final Redemption Condition Level and no Knock-in Event has occurred:

Nominal Amount  $\times$  (Fixed Percentage 2 + Coupon Airbag Percentage); or

(C) if FR Barrier Value is less than or equal to the Final Redemption Condition Level and a Knock-in Event has occurred:

Nominal Amount  $\times$  Min (Fixed Percentage 3, Gearing  $\times$  Final Redemption Value)

where:

"Fixed Percentage 1" is as defined in the applicable Final Terms;

"Fixed Percentage 2" is as defined in the applicable Final Terms;

"Fixed Percentage 3" is as defined in the applicable Final Terms.

**Description of the Final Payout**



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*The Final Payout comprises:*

- *if the FR Barrier Value on the MFP FR Barrier Valuation Date is greater than the Final Redemption Condition Level, Fixed Percentage 1 plus a final exit rate (equal to the FR Exit Rate);*
- *if the FR Barrier Value on the MFP FR Barrier Valuation Date is equal to or less than the Final Redemption Condition Level and no Knock-in Event has occurred, Fixed Percentage 2 plus a fixed percentage; or*
- *if the FR Barrier Value on the MFP FR Barrier Valuation Date is equal to or less than the Final Redemption Condition Level and a Knock-in Event has occurred, the minimum of a Fixed Percentage 3 and indexation (subject to Gearing) to the value of the Underlying Reference(s).*

(x) **Multiple Final Payout - Standard 3-Step Knock-out Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout - Standard 3-Step Knock-out Notes:

- (A) if FR Barrier Value is lower than the Final Redemption Condition Level:

$\text{Nominal Amount} \times (\text{Fixed Percentage 1} + \text{FR Exit Rate});$  or

- (B) if FR Barrier Value is greater than or equal to the Final Redemption Condition Level and no Knock-out Event has occurred:

$\text{Nominal Amount} \times (\text{Fixed Percentage 2} + \text{Coupon Airbag Percentage});$  or

- (C) if FR Barrier Value is greater than or equal to the Final Redemption Condition Level and a Knock-out Event has occurred:

$\text{Nominal Amount} \times \text{Min} (\text{Fixed Percentage 3}, \text{Gearing} \times \text{Final Redemption Value})$

where:

"**Fixed Percentage 1**" is as defined in the applicable Final Terms;

"**Fixed Percentage 2**" is as defined in the applicable Final Terms;

"**Fixed Percentage 3**" is as defined in the applicable Final Terms.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if the FR Barrier Value on the MFP FR Barrier Valuation Date is lower than the Final Redemption Condition Level, a Fixed Percentage 1 plus a final exit rate (equal to the FR Exit Rate);*

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- *if the FR Barrier Value on the MFP FR Barrier Valuation Date is equal to or greater than the Final Redemption Condition Level and no Knock-out Event has occurred, a Fixed Percentage 2 plus a fixed percentage; or*
- *if the FR Barrier Value on the MFP FR Barrier Valuation Date is equal to or greater than the Final Redemption Condition Level and a Knock-out Event has occurred, the minimum of a Fixed Percentage 3 and indexation (subject to Gearing) to the value of the Underlying Reference(s).*

### (xi) **Multiple Final Payout - Standard 2-Step Barrier Down Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout - Standard 2-Step Barrier Down Notes:

(A) If FR Barrier Value is greater than the Final Redemption Condition Level:

Nominal Amount  $\times$  (Fixed Percentage 1 + FR Exit Rate); or

(B) If FR Barrier Value is less than or equal to the Final Redemption Condition Level:

Nominal Amount  $\times$  Min (Fixed Percentage 2, Final Redemption Value)

where:

"**Fixed Percentage 1**" is as defined in the applicable Final Terms;

"**Fixed Percentage 2**" is as defined in the applicable Final Terms.

#### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if the FR Barrier Value on the MFP FR Barrier Valuation Date is greater than the Final Redemption Condition Level, Fixed Percentage 1 plus a final exit rate (equal to the FR Exit Rate);*
- *if the FR Barrier Value on the MFP FR Barrier Valuation Date is equal to or less than the Final Redemption Condition Level, the minimum of Fixed Percentage 2 and indexation to the value of the Underlying Reference(s).*

### (xii) **Multiple Final Payout - Standard 2-Step Barrier Up Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout - Standard 2-Step Barrier Up Notes:

(A) If FR Barrier Value is less than the Final Redemption Condition Level:

Nominal Amount  $\times$  (Fixed Percentage 1 + FR Exit Rate); or

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(B) If FR Barrier Value is greater than or equal to the Final Redemption Condition Level:

$$\text{Nominal Amount} \times \text{Min (Fixed Percentage 2, Final Redemption Value)}$$

where:

"**Fixed Percentage 1**" is as defined in the applicable Final Terms;

"**Fixed Percentage 2**" is as defined in the applicable Final Terms.

### *Description of the Final Payout*

*The Final Payout comprises:*

- *if the FR Barrier Value on the MFP FR Barrier Valuation Date is less than the Final Redemption Condition Level, Fixed Percentage 1 plus a final exit rate (equal to the FR Exit Rate);*
- *if the FR Barrier Value on the MFP FR Barrier Valuation Date is equal to or greater than the Final Redemption Condition Level, the minimum of Fixed Percentage 2 and indexation to the value of the Underlying Reference(s).*

### (xiii) **Multiple Final Payout - 2-Step Knock-in Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - 2-Step Knock-in Notes:

(A) if the Knock-in Event has not occurred:

$$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{FR Exit Rate}); \text{ or}$$

(B) if a Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Max (Constant Percentage 2} + \text{Gearing} \times \text{Option; Floor Percentage)}$$

where:

"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means  $\text{Max (Floor Percentage, Min (Constant Percentage 3} - \text{nEDS} \times \text{Loss Percentage, Constant Percentage 4))}$ ;

"**Forward**" means  $\text{Final Redemption Value} - \text{Strike Percentage}$ ;

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"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**Call**" means  $\text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}; \text{Constant Percentage } 3)$ ;

"**Call Spread**" means  $\text{Min}(\text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}; \text{Constant Percentage } 3); \text{Spread Percentage})$ ;

"**Put**" means  $\text{Max}(\text{Strike Percentage} - \text{Final Redemption Value}; \text{Constant Percentage } 3)$ ;  
and

"**Put Spread**" means  $\text{Min}(\text{Max}(\text{Strike Percentage} - \text{Final Redemption Value}; \text{Constant Percentage } 3); \text{Spread Percentage})$

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (tt)(xiii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (tt)(xiii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Final Redemption Amount will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if a Knock-in Event has not occurred, a fixed percentage plus a final exit rate (equal to the FR Exit Rate);*
- *if a Knock-in Event has occurred and Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum; or*
- *if a Knock-in Event has occurred and Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum; or*
- *if a Knock-in Event has occurred and Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout, subject to Gearing and a minimum.*
- *Physical Delivery may also apply.*

(xiv) **Multiple Final Payout - 2-Step Knock-out Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - 2-Step Knock-out Notes:

(A) if the Knock-out Event has not occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{FR Exit Rate});$  or

(B) if a Knock-out Event has occurred:

$\text{Nominal Amount} \times \text{Max} (\text{Constant Percentage 2} + \text{Gearing} \times \text{Option}; \text{Floor Percentage})$

where:

"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means  $\text{Max} (\text{Floor Percentage}, \text{Min} (\text{Constant Percentage 3} - \text{nEDS} \times \text{Loss Percentage}, \text{Constant Percentage 4}));$

"**Forward**" means Final Redemption Value – Strike Percentage;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**Call**" means  $\text{Max} (\text{Final Redemption Value} - \text{Strike Percentage}; \text{Constant Percentage 3});$

"**Call Spread**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value} - \text{Strike Percentage}; \text{Constant Percentage 3}); \text{Spread Percentage});$

"**Put**" means  $\text{Max} (\text{Strike Percentage} - \text{Final Redemption Value}; \text{Constant Percentage 3});$

"**Put Spread**" means  $\text{Min} (\text{Max} (\text{Strike Percentage} - \text{Final Redemption Value}; \text{Constant Percentage 3}); \text{Spread Percentage})$

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (tt)(xiv) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (tt)(xiv) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Final Redemption Amount will be payable and Physical Delivery will apply.

***Description of the Final Payout***

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*The Final Payout comprises:*

- *if a Knock-out Event has not occurred, a fixed percentage plus a final exit rate (equal to the FR Exit Rate);*
- *if a Knock-out Event has occurred and Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum; or*
- *if a Knock-out Event has occurred and Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum; or*
- *if a Knock-out Event has occurred and Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*
- *Physical Delivery may also apply.*

### (uu) **Multiple Final Payout - Performance Notes**

#### (i) **Multiple Final Payout - Geared Call Performance Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - Geared Call Performance Notes

- i. if Cap is specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Constant Percentage 1} + [\text{Final Redemption Value} + \text{Additional Gearing} \times \text{Max} (\text{Final Redemption Value} - \text{Strike Percentage}, \text{Floor Percentage})] \}$$

- ii. if Cap is specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Constant Percentage 1} + \text{Min} [\text{Final Redemption Value} + \text{Additional Gearing} \times \text{Max} (\text{Final Redemption Value} - \text{Strike Percentage}, \text{Floor Percentage}), \text{Cap Percentage}] \}$$

#### ***Description of the Final Payout***

- *If Cap is specified as not applicable, the Final Payout comprises an indexation to the value of the Underlying Reference(s) and an additional indexation (subject to*

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*Gearing) to the value of the Underlying Reference(s) above the Strike Percentage. (subject to a minimum of the Floor Percentage)*

- *If Cap is specified as applicable, the Final Payout provides a limited maximum upside and comprises an indexation to the value of the Underlying Reference(s) and an additional indexation (subject to Gearing) to the value of the Underlying Reference(s) above the Strike Percentage (subject to a minimum of the Floor Percentage), subject to a cap of the Cap Percentage.*

### (ii) **Multiple Final Payout - Multi Performance Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout - Multi Performance Notes:

- i. if Cap and Floor are specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage} + [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) ] \}$$

- ii. if Cap is specified as applicable and Floor is specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage} + \text{Min} [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) , \text{Global Cap} ] \}$$

- iii. if Cap is specified as not applicable and Floor is specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage} + \text{Max} [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) , \text{Global Floor} ] \}$$

- iv. if Cap and Floor are specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage} + \text{Min} [ \text{Max} [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) , \text{Global Floor} ] , \text{Global Cap} ] \}$$

where:

"**Constant Percentage<sub>n</sub>**" means the percentage specified as such in the applicable Final Terms;

"**Gearing<sub>n</sub>**" is as defined in the applicable Final Terms;

"**Generic Percentage<sub>(n,1)</sub>**" is as defined in the applicable Final Terms;

"**Generic Percentage<sub>(n,2)</sub>**" is as defined in the applicable Final Terms;

"**Floor Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

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"**Loss Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Final Redemption Value<sub>(n)</sub>**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Strike Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Spread Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**W<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**n**" is as defined in the applicable Final Terms;

"**Global Cap**" is as defined in the applicable Final Terms;

"**Global Floor**" is as defined in the applicable Final Terms;

"**Option<sub>n</sub>**" means Put<sub>(n)</sub>, Put Spread<sub>(n)</sub>, Call<sub>(n)</sub>, Call Spread<sub>(n)</sub>, EDS<sub>(n)</sub> or Forward<sub>(n)</sub> as specified in the applicable Final Terms;

"**EDS<sub>(n)</sub>**" means  $\text{Max} (\text{Floor Percentage}_{(n)}, \text{Min} (\text{Generic Percentage}_{(n,1)} - n\text{EDS}_{(n)} \times \text{Loss Percentage}_{(n)}, \text{Generic Percentage}_{(n,2)}))$ ;

"**Forward<sub>(n)</sub>**" means  $\text{Final Redemption Value}_{(n)} - \text{Strike Percentage}_{(n)}$ ;

"**nEDS<sub>(n)</sub>**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage<sub>(n)</sub>;

"**EDS Barrier Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Call<sub>(n)</sub>**" means  $\text{Max} (\text{Final Redemption Value}_{(n)} - \text{Strike Percentage}_{(n)}; \text{Generic Percentage}_{(n,1)})$ ;

"**Call Spread<sub>(n)</sub>**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value}_{(n)} - \text{Strike Percentage}_{(n)}; \text{Generic Percentage}_{(n,1)}); \text{Spread Percentage}_{(n)})$ ;

"**Put<sub>(n)</sub>**" means  $\text{Max} (\text{Strike Percentage}_{(n)} - \text{Final Redemption Value}_{(n)}; \text{Generic Percentage}_{(n,1)})$ ;



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"**Put Spread<sub>(n)</sub>**" means  $\text{Min} (\text{Max} (\text{Strike Percentage}_{(n)} - \text{Final Redemption Value}_{(n)}; \text{Generic Percentage}_{(n,1)}); \text{Spread Percentage}_{(n)})$ .

### *Description of the Final Payout*

*The Final Payout comprises:*

- *a fixed percentage and if Option is Forward, Call, Call Spread, Put or Put Spread the weighted sum of a constant percentage and an indexation (subject to Gearing) to the Underlying Reference(s) above or below the Strike Percentage; or*
- *a fixed percentage and Option is EDS, the weighted sum of a constant percentage and a percentage that depends on how many Underlying Reference(s) in the basket(s) have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*
- *The Final Payout may be subject to a Global Cap and/or Global Floor.*
- *Physical Delivery may also apply.*

### (iii) **Multiple Final Payout – (Capped) Multi Knock-Out Bonus Performance Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – (Capped) Knock- Out Bonus Performance Notes:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Final Redemption Value 1})$ ; or

(y) if no Knock-out Event has occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Max} (\text{Bonus Percentage, Final Redemption Value 2}))$

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$\text{Nominal Amount} \times [\text{Constant Percentage 1} + \text{Final Redemption Value 1} -$

$\text{Max} (\text{Final Redemption Value 2} - \text{Cap Percentage 1, Floor Percentage})]$ ; or

(y) if no Knock-out Event has occurred:

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Nominal Amount  $\times$  [ Constant Percentage 1 + Max ( Bonus Percentage, Final Redemption Value 3 ) – Max (Final Redemption Value 4 - Cap Percentage 2, Floor Percentage ) ]

***Description of the Final Payout***

*If Cap is specified as not applicable the Final Payout comprises:*

- *if no Knock-out Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage; or*
- *if a Knock-out Event has occurred, a minimum percentage and an indexation to the value of the Underlying Reference(s) (this value may differ from the above value).*

*If Cap is specified as applicable the Final Payout provides limited maximum upside and comprises:*

- *if no Knock-out Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage, up to a maximum level and subject to a minimum level; or*
- *if a Knock-out Event has occurred, a minimum percentage and an indexation to the value of the Underlying Reference(s) (this value may differ from the above value), up to a maximum level and subject to a minimum level.*

**(iv) Multiple Final Payout – (Capped) Multi Knock-In Bonus Performance Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – (Capped) Knock-In Bonus Performance Notes:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

Nominal Amount  $\times$  ( Constant Percentage 1 + Final Redemption Value 1 ); or

(y) if no Knock-in Event has occurred:

Nominal Amount  $\times$  ( Constant Percentage 1 + Max (Bonus Percentage, Final Redemption Value 2 ) ).

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

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Nominal Amount  $\times$  [ Constant Percentage 1 + Final Redemption Value 1 - Max ( Final Redemption Value 2 - Cap Percentage 1, Floor Percentage 1 ) ]; or

(y) if no Knock-in Event has occurred:

Nominal Amount  $\times$  [ Constant Percentage 1 + Max ( Bonus Percentage, Final Redemption Value 3 ) - Max ( Final Redemption Value 4 - Cap Percentage 2, Floor Percentage 2 ) ]

### ***Description of the Final Payout***

*If Cap is specified as not applicable the Final Payout comprises:*

- *if no Knock-in Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage; or*
- *if a Knock-in Event has occurred, a minimum percentage and an indexation to the value of the Underlying Reference(s) (this value may differ from the above value).*

*If Cap is specified as applicable the Final Payout provides limited maximum upside and comprises:*

- *if no Knock-in Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage, up to a maximum level and subject to a minimum level; or*
- *if a Knock-in Event has occurred, a minimum percentage and an indexation to the value of the Underlying Reference(s) (this value may differ from the above value), up to a maximum level and subject to a minimum level.*

### (v) **Multiple Final Payout – 2-Step KI Multi Bonus Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – 2-Step KI Multi Bonus Notes:

(A) if the Knock-in Event has not occurred:

Nominal Amount  $\times$  Gearing 1  $\times$  ( Constant Percentage 1 + Bonus Percentage 1 + Gearing 2  $\times$  Option – Bonus Percentage 2 ); or

(B) if a Knock-in Event has occurred:

Nominal Amount  $\times$  Gearing 3  $\times$  Max ( Constant Percentage 2 + Gearing 4  $\times$  Option; Floor Percentage )

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"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means  $\text{Max (Floor Percentage, Min (Constant Percentage 3 - nEDS} \times \text{Loss Percentage, Constant Percentage 4))}$ ;

"**Forward**" means Final Redemption Value – Strike Percentage;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**Call**" means  $\text{Max (Final Redemption Value - Strike Percentage; Constant Percentage 3)}$ ;

"**Call Spread**" means  $\text{Min (Max (Final Redemption Value – Strike Percentage; Constant Percentage 3); Spread Percentage)}$ ;

"**Put**" means  $\text{Max (Strike Percentage – Final Redemption Value; Constant Percentage 3)}$ ;  
and

"**Put Spread**" means  $\text{Min (Max (Strike Percentage – Final Redemption Value; Constant Percentage 3); Spread Percentage)}$ ,

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (uu)(v) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (uu)(v) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Final Redemption Amount will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *If a Knock-in Event has not occurred:*
  - i. if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
  - ii. if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Redemption Value; or*
  - iii. if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*

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iv. *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*

• *If a Knock-in Event has occurred:*

i. *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*

ii. *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Redemption Value; or*

iii. *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*

iv. *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*

*All of the above (i) to (iv) are subject to a Floor.*

• *Physical Delivery may also apply.*

(vi) **Multiple Final Payout – 3-Step Multi Bonus Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – 3-Step Multi Bonus Notes:

(A) if the Final Redemption Condition is satisfied and no Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Gearing 1} \times ( \text{Constant Percentage 1} + \text{Bonus Percentage 1} + \text{Gearing 2} \times \text{Option} - \text{Bonus Percentage 2} )$$

(B) if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Gearing 3} \times ( \text{Constant Percentage 2} + \text{Bonus Percentage 3} + \text{Gearing 4} \times \text{Option} - \text{Bonus Percentage 4} )$$

(C) if the Final Redemption Condition is not satisfied and a Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Gearing 5} \times \text{Max} ( \text{Constant Percentage 3} + \text{Gearing 6} \times \text{Option}; \text{Bonus Floor Percentage} )$$

where:

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"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means  $\text{Max}(\text{Floor Percentage}, \text{Min}(\text{Constant Percentage 4} - n\text{EDS} \times \text{Loss Percentage}, \text{Constant Percentage 5}))$ ;

"**Forward**" means  $\text{Final Redemption Value} - \text{Strike Percentage}$ ;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**Call**" means  $\text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}; \text{Constant Percentage 4})$ ;

"**Call Spread**" means  $\text{Min}(\text{Max}(\text{Final Redemption Value} - \text{Strike Percentage}; \text{Constant Percentage 4}); \text{Spread Percentage})$ ;

"**Put**" means  $\text{Max}(\text{Strike Percentage} - \text{Final Redemption Value}; \text{Constant Percentage 4})$ ;  
and

"**Put Spread**" means  $\text{Min}(\text{Max}(\text{Strike Percentage} - \text{Final Redemption Value}; \text{Constant Percentage 4}); \text{Spread Percentage})$ ,

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (uu)(vi) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms, (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (uu)(vi) or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1 (uu)(vi) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Final Redemption Amount will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *If the Final Redemption Condition is satisfied and no Knock-in Event has occurred:*
  - i. *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
  - ii. *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Redemption Value; or*
  - iii. *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*

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- iv. *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*
- *If the Final Redemption Condition is not satisfied and no Knock-in Event has occurred:*
  - i. *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
  - ii. *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Redemption Value; or*
  - iii. *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
  - iv. *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*
- *If a Knock-in Event has occurred:*
  - i. *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
  - ii. *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Redemption Value; or*
  - iii. *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
  - iv. *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*

*All of the above (i) to (iv) are subject to a Floor.*

- *Physical Delivery may also apply.*

**(vii) Multiple Final Payout – 3-Step Flexi Bonus Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – 3-Step Flexi Bonus Notes:

- (A) *if the Final Redemption Condition is satisfied and no Knock-in Event has occurred:*

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$$\text{Nominal Amount} \times \text{Gearing 1} \times (\text{Constant Percentage 1} + \text{Bonus Percentage 1} + \text{Gearing 2} \times \text{Option 1} - \text{Bonus Percentage 2})$$

- (B) if the Final Redemption Condition is not satisfied and no Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Gearing 3} \times (\text{Constant Percentage 2} + \text{Bonus Percentage 3} + \text{Gearing 4} \times \text{Option 2} - \text{Bonus Percentage 4})$$

- (C) if the Final Redemption Condition is not satisfied and a Knock-in Event has occurred:

$$\text{Nominal Amount} \times \text{Gearing 5} \times \text{Max} (\text{Constant Percentage 3} + \text{Gearing 6} \times \text{Option 3}; \text{Bonus Floor Percentage})$$

### **Option 1**

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**EDS 1**" means  $\text{Max} (\text{Floor Percentage 1}, \text{Min} (\text{Constant Percentage 4} - \text{nEDS 1} \times \text{Loss Percentage 1}, \text{Constant Percentage 5}))$ ;

"**Forward 1**" means  $\text{Final Redemption Value 1} - \text{Strike Percentage 1}$ ;

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value 1 is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Call 1**" means  $\text{Max} (\text{Final Redemption Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 4})$ ;

"**Call Spread 1**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 4}); \text{Spread Percentage 1})$ ;

"**Put 1**" means  $\text{Max} (\text{Strike Percentage 1} - \text{Final Redemption Value 1}; \text{Constant Percentage 4})$ ; and

"**Put Spread 1**" means  $\text{Min} (\text{Max} (\text{Strike Percentage 1} - \text{Final Redemption Value 1}; \text{Constant Percentage 4}); \text{Spread Percentage 1})$ ,

### **Option 2**



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"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

"**EDS 2**" means  $\text{Max}(\text{Floor Percentage 2}, \text{Min}(\text{Constant Percentage 6} - \text{nEDS 2} \times \text{Loss Percentage 2}, \text{Constant Percentage 7}))$ ;

"**Forward 2**" means  $\text{Final Redemption Value 2} - \text{Strike Percentage 2}$ ;

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value 2 is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Call 2**" means  $\text{Max}(\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 6})$ ;

"**Call Spread 2**" means  $\text{Min}(\text{Max}(\text{Final Redemption Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 6}); \text{Spread Percentage 2})$ ;

"**Put 2**" means  $\text{Max}(\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 6})$ ; and

"**Put Spread 2**" means  $\text{Min}(\text{Max}(\text{Strike Percentage 2} - \text{Final Redemption Value 2}; \text{Constant Percentage 6}); \text{Spread Percentage 2})$ ,

### **Option 3**

"**Option 3**" means Put 3, Put Spread 3, Call 3, Call Spread 3, EDS 3 or Forward 3 as specified in the applicable Final Terms;

"**EDS 3**" means  $\text{Max}(\text{Floor Percentage 3}, \text{Min}(\text{Constant Percentage 8} - \text{nEDS 3} \times \text{Loss Percentage 3}, \text{Constant Percentage 9}))$ ;

"**Forward 3**" means  $\text{Final Redemption Value 3} - \text{Strike Percentage 3}$ ;

"**nEDS 3**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value 3 is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 3;

"**EDS Barrier Percentage 3**" is as defined in the relevant Final Terms;

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"**Call 3**" means  $\text{Max} (\text{Final Redemption Value 3} - \text{Strike Percentage 3}; \text{Constant Percentage 8})$ ;

"**Call Spread 3**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value 3} - \text{Strike Percentage 3}; \text{Constant Percentage 8}); \text{Spread Percentage 3})$ ;

"**Put 3**" means  $\text{Max} (\text{Strike Percentage 3} - \text{Final Redemption Value 3}; \text{Constant Percentage 8})$ ; and

"**Put Spread 3**" means  $\text{Min} (\text{Max} (\text{Strike Percentage 3} - \text{Final Redemption Value 3}; \text{Constant Percentage 8}); \text{Spread Percentage 3})$ ,

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1 (uu)(vii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms, (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1 (uu)(vii) or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1 (uu)(vii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Final Redemption Amount will be payable and Physical Delivery will apply.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *If the Final Redemption Condition is satisfied and no Knock-in Event has occurred:*
  - i. *if Option 1 is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
  - ii. *if Option 1 is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Redemption Value; or*
  - iii. *if Option 1 is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
  - iv. *if Option 1 is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*
- *If the Final Redemption Condition is not satisfied and no Knock-in Event has occurred, an indexation similar to (i) to (iv) but, possibly, with a different Option, i.e. Option 2*
- *If a Knock-in Event has occurred an indexation similar to (i) to (iv) but, possibly, with a different Option, i.e. Option 3 subject to a Floor*
- *Physical Delivery may also apply.*

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(viii) **Multiple Final Payout – (Capped) Knock-Out Bonus Performance Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – (Capped) Knock-Out Bonus Performance Notes:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

Nominal Amount  $\times$  ( Constant Percentage 1 + Final Redemption Value 2); or

(y) if no Knock-out Event has occurred:

Nominal Amount  $\times$  ( Constant Percentage 2 + Max ( Bonus Percentage, Final Redemption Value 1 ) )

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

Nominal Amount  $\times$  ( Constant Percentage 1 + Final Redemption Value 2 - Max ( Final Redemption Value 2 - Cap Percentage 1, Floor Percentage 1 ) ); or

(y) if no Knock-out Event has occurred:

Nominal Amount  $\times$  [ Constant Percentage 2 + Max ( Bonus Percentage, Final Redemption Value 1 ) - Max ( Final Redemption Value 1 - Cap Percentage 2, Floor Percentage 2 ) ]

***Description of the Final Payout***

*If Cap is specified as not applicable the Final Payout comprises:*

- *if no Knock-out Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) (this value may differ from the above value).*
- *If Cap is specified as applicable the Final Payout provides limited maximum upside and comprises:*
- *if no Knock- out Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage, up to a maximum level and subject to a minimum level; or*

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- *if a Knock- out Event has occurred, indexation to the value of the Underlying Reference(s) (this value may differ from the above value), up to a maximum level and subject to a minimum level.*

### (ix) **Multiple Final Payout – (Capped) Knock – In Bonus Performance Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – (Capped) Multi Knock – In Bonus Performance Notes:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Final Redemption Value 2})$ ; or

(y) if no Knock-in Event has occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 2} + \text{Max} (\text{Bonus Percentage, Final Redemption Value 1}))$

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Final Redemption Value 2} - \text{Max} (\text{Final Redemption Value 2} - \text{Cap Percentage 1, Floor Percentage 1}))$ ; or

(y) if no Knock-in Event has occurred:

$\text{Nominal Amount} \times [\text{Constant Percentage 2} + \text{Max} (\text{Bonus Percentage, Final Redemption Value 1}) - \text{Max} (\text{Final Redemption Value 1} - \text{Cap Percentage 2, Floor Percentage 2})]$

### ***Description of the Final Payout***

*If Cap is specified as not applicable the Final Payout comprises:*

- *if no Knock-in Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage; or*
- *if a Knock-in Event has occurred, indexation to the value of the Underlying Reference(s) (this value may differ from the above value).*
- *If Cap is specified as applicable the Final Payout provides limited maximum upside and comprises:*

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- *if no Knock- in Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage, up to a maximum level and subject to a minimum level; or*
- *if a Knock- in Event has occurred, indexation to the value of the Underlying Reference(s) (this value may differ from the above value), up to a maximum level and subject to a minimum level.*

(x) **Multiple Final Payout – Leveraged Performance Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Leveraged Performance Notes:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$$\text{Nominal Amount} \times \{ \text{Constant Percentage 1} + \text{Constant Percentage 2} + [ \text{Final Redemption Value} + \text{Gearing 1} \times \text{Max} (\text{Final Redemption Value} - \text{Strike Percentage, Floor Percentage} ) ] \};$$
 or

(y) if no Knock-out Event has occurred:

$$\text{Nominal Amount} \times \{ \text{Constant Percentage 3} + \text{Constant Percentage 4} + [ \text{Max} ( \text{Fixed Percentage 1, Fixed Percentage 2} + \text{Gearing 2} \times ( \text{Final Redemption Value} - \text{Strike Percentage} ) ) ] \}$$

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$$\text{Nominal Amount} \times ( \text{Constant Percentage 1} + \text{Constant Percentage 2} + \text{Min} [ \text{Cap Percentage 1, [ Final Redemption Value} + \text{Gearing 1} \times \text{Max} (\text{Final Redemption Value} - \text{Strike Percentage, Floor Percentage}) ] ] );$$
 or

(y) if no Knock-out Event has occurred:

$$\text{Nominal Amount} \times ( \text{Constant Percentage 3} + \text{Constant Percentage 4} + \text{Min} [ \text{Cap Percentage 2, [ Max} (\text{Fixed Percentage 1, Fixed Percentage 2} + \text{Gearing 2} \times ( \text{Final Redemption Value} - \text{Strike Percentage} ) ) ] ] )$$

where:

"**Gearing 1**" is as defined in the applicable Final Terms;

"**Gearing 2**" is as defined in the applicable Final Terms;

"**Fixed Percentage 1**" is as defined in the applicable Final Terms;

"Fixed Percentage 2" is as defined in the applicable Final Terms.

**Description of the Final Payout**

*If Cap is specified as not applicable the Final Payout comprises:*

- *if no Knock-out Event has occurred, a minimum percentage and leveraged indexation to the value of the Underlying Reference(s) above the Strike Percentage, subject to a minimum of the Fixed Percentage 1; or*
- *if a Knock-out Event has occurred, a minimum percentage and leveraged indexation to the value of the Underlying Reference(s) plus additional indexation to the value of the Underlying Reference(s) above the Strike Percentage, subject to a minimum of the Floor Percentage.*

*If Cap is specified as applicable the Final Payout provides limited maximum upside and comprises:*

- *if no Knock-out Event has occurred, a minimum percentage and leveraged indexation to the value of the Underlying Reference(s) above the Strike Percentage, subject to a minimum of the Fixed Percentage 1 and up to a maximum level equal to the Cap Percentage; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) plus additional indexation to the value of the Underlying Reference(s) above the Strike Percentage, subject to a minimum of the Floor Percentage. The aggregate indexation is limited to a maximum level equal to the Cap Percentage.*

**(vv) Multiple Final Payout – Twin-Win Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Twin-Win Notes:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$\text{Nominal Amount} \times ( \text{Constant Percentage 1} + \text{Max} [ \text{Floor Percentage 1}, \text{Gearing 1} \times \text{Final Redemption Value} ] ); \text{ or}$

(y) if no Knock-out Event has occurred:

$\text{Nominal Amount} \times ( \text{Constant Percentage 2} + \text{Max} [ \text{Max} ( \text{Gearing 2} \times ( \text{Strike Percentage} - \text{Final Redemption Value} ), \text{Gearing 3} \times ( \text{Final Redemption Value} - \text{Strike Percentage} ) ), \text{Floor Percentage 2} ] )$

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(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$$\text{Nominal Amount} \times (\text{Constant Percentage 1} + [\text{Min}(\text{Cap Percentage 1}, \text{Gearing 1} \times \text{Final Redemption Value})]);$$
 or

(y) if no Knock-out Event has occurred:

$$\text{Nominal Amount} \times \{ \text{Constant Percentage 2} + \text{Max} \{ \text{Max} [ \text{Gearing 2} \times (\text{Strike Percentage} - \text{Final Redemption Value}), \text{Min}(\text{Cap Percentage 2} - \text{Strike Percentage}, \text{Gearing 3} \times (\text{Final Redemption Value} - \text{Strike Percentage})) ], \text{Floor Percentage} \} \}$$

where:

"Gearing 1" is as defined in the applicable Final Terms;

"Gearing 2" is as defined in the applicable Final Terms;

"Gearing 3" is as defined in the applicable Final Terms.

### ***Description of the Final Payout***

*If Cap is specified as not applicable the Final Payout comprises:*

- *if no Knock-out Event has occurred, a minimum percentage, an indexation (subject to Gearing 3) to the value of the Underlying Reference(s) above the Strike Percentage or an indexation (subject to Gearing 2) to the value of the Underlying Reference(s) below the Strike Percentage in absolute terms, subject to a floor of the Floor Percentage 2; or*
- *if a Knock-out Event has occurred, a minimum percentage and an indexation (subject to Gearing 1) to the value of the Underlying Reference(s), subject to a floor of the Floor Percentage 1.*

*If Cap is specified as applicable the Final Payout comprises:*

- *if no Knock-out Event has occurred, a minimum percentage, an indexation (subject to Gearing 3) to the value of the Underlying Reference(s) above the Strike Percentage and up to a maximum level equal to the Cap Percentage or an indexation (subject to Gearing 3) to the value of the Underlying Reference(s) below the Strike Percentage in absolute terms, subject to a Floor Percentage; or*
- *if a Knock-out Event has occurred, a minimum percentage and an indexation (subject to Gearing 1) to the value of the Underlying Reference(s) up to a maximum level equal to the Cap Percentage.*

**(ww) Multiple Final Payout – Knock-In Outperformance Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Knock-In Outperformance Notes:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

$\text{Nominal Amount} \times ( \text{Constant Percentage 1} + \text{Final Redemption Value} + \text{Additional Gearing} \times \text{Max} ( \text{Final Redemption Value} - \text{Strike Percentage, Floor Percentage} ) );$  or

(y) if no Knock-in Event has occurred:

$\text{Nominal Amount} \times ( \text{Constant Percentage 2} + \text{Final Redemption Value} )$

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

$\text{Nominal Amount} \times ( \text{Constant Percentage 1} + [ \text{Min} ( \text{Cap Percentage 1, Final Redemption Value} + \text{Additional Gearing} \times \text{Max} ( \text{Final Redemption Value} - \text{Strike Percentage, Floor Percentage} ) ) ] );$  or

(y) if no Knock-in Event has occurred:

$\text{Nominal Amount} \times ( \text{Constant Percentage 2} + [ \text{Min} ( \text{Cap Percentage 2} , \text{Final Redemption Value} ) ] ).$

***Description of the Final Payout***

*If Cap is specified as not applicable the Final Payout comprises:*

- *a minimum percentage and an indexation to the value of the Underlying Reference(s); and*
- *if a Knock-in Event has occurred, additional indexation (subject to gearing) to the value of the Underlying Reference(s) above the Strike Percentage subject to a minimum of a Floor Percentage.*
- *If Cap is specified as applicable the Final Payout provides a limited maximum upside and comprises:*
- *a minimum percentage and an indexation to the value of the Underlying Reference(s) up to a maximum of the Cap Percentage 2; and*



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- *if a Knock-in Event has occurred, additional indexation (subject to gearing) to the value of the Underlying Reference(s) above the Strike Percentage subject to a minimum of a Floor Percentage and up to a maximum of the Cap Percentage 1.*

### (xx) Multiple Final Payout – Flexi Performance Notes

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Flexi Performance Notes:

$$\text{Nominal Amount} \times ( \text{Constant Percentage} 1 + \text{Gearing Up} \times \text{Option Up} + \text{Gearing Down} \times \text{Option Down} )$$

where:

**"Down Call"** means Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage);

**"Down Call Spread"** means Min (Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage);

**"Down Forward"** means Down Final Redemption Value – Down Strike Percentage;

**"Down Put"** means Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage);

**"Down Put Spread"** means Min (Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage); Down Cap Percentage);

**"Option Down"** means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

**"Option Up"** means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

**"Up Call"** means Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage);

**"Up Call Spread"** means Min (Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage); Up Cap Percentage);

**"Up Forward"** means Up Final Redemption Value – Up Strike Percentage;

**"Up Put"** means Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage);

**"Up Put Spread"** means Min (Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage); Up Cap Percentage).

***Description of the Final Payout***

*The Final Payout comprises a minimum percentage and an indexation (subject to Gearing Up) to the value of the Underlying Reference(s) through the Option Up which may be subject to a maximum level and an indexation (subject to Gearing Down) to the value (this value may differ from the value above) of the Underlying Reference(s) through the Option Down which may be subject to a maximum level (which may differ from the maximum level above).*

**(yy) Multiple Final Payout – Hyper-Flexi Performance Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Hyper Flexi Performance Notes:

$$\text{Nominal Amount} \times ( \text{Constant Percentage 1} + \text{Gearing 1} \times \text{Option Up} + \text{Gearing 2} \times \text{Option Down} + \text{Gearing 3} \times \text{Option Down} + \text{Gearing 4} \times \text{Option Up} )$$

where:

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

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

"**Gearing 3**" means the percentage specified as such in the applicable Final Terms;

"**Gearing 4**" means the percentage specified as such in the applicable Final Terms;

"**Down Call**" means Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage);

"**Down Call Spread**" means Min (Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage);

"**Down Forward**" means Down Final Redemption Value – Down Strike Percentage;

"**Down Put**" means Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage);

"**Down Put Spread**" means Min (Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage); Down Cap Percentage);

"**Option Down**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Up**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

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"**Up Call**" means  $\text{Max} (\text{Up Final Redemption Value} - \text{Up Strike Percentage}; \text{Up Floor Percentage})$ ;

"**Up Call Spread**" means  $\text{Min} (\text{Max} (\text{Up Final Redemption Value} - \text{Up Strike Percentage}; \text{Up Floor Percentage}); \text{Up Cap Percentage})$ ;

"**Up Forward**" means  $\text{Up Final Redemption Value} - \text{Up Strike Percentage}$ ;

"**Up Put**" means  $\text{Max} (\text{Up Strike Percentage} - \text{Up Final Redemption Value}; \text{Up Floor Percentage})$ ;

"**Up Put Spread**" means  $\text{Min} (\text{Max} (\text{Up Strike Percentage} - \text{Up Final Redemption Value}; \text{Up Floor Percentage}); \text{Up Cap Percentage})$ .

### ***Description of the Final Payout***

*The Final Payout comprises a minimum percentage and an indexation (subject to the relevant gearing) to the value of the Underlying Reference(s) through the Option Up which may be subject to a maximum level and an indexation (subject to the relevant gearing) to the value (this value may differ from the value above) of the Underlying Reference(s) through the Option Down which may be subject to a maximum level (which may differ from the maximum level above).*

### **(zz) Multiple Final Payout – Flexi Knock-In Performance Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout – Flexi Knock-In Performance Notes:

(A) if no Knock-in Event has occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Gearing Up} \times \text{Option Up})$ ; or

(B) if a Knock-in Event has occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 2} + \text{Gearing Down} \times \text{Option Down})$

where:

"**Down Call**" means  $\text{Max} (\text{Down Final Redemption Value} - \text{Down Strike Percentage}; \text{Down Floor Percentage})$ ;

"**Down Call Spread**" means  $\text{Min} (\text{Max} (\text{Down Final Redemption Value} - \text{Down Strike Percentage}; \text{Down Floor Percentage}); \text{Down Cap Percentage})$ ;

"**Down Forward**" means  $\text{Down Final Redemption Value} - \text{Down Strike Percentage}$ ;

"**Down Put**" means  $\text{Max} (\text{Down Strike Percentage} - \text{Down Final Redemption Value}; \text{Down Floor Percentage})$ ;

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**"Down Put Spread"** means  $\text{Min} (\text{Max} (\text{Down Strike Percentage} - \text{Down Final Redemption Value}; \text{Down Floor Percentage}); \text{Down Cap Percentage});$

**"Option Down"** means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

**"Option Up"** means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

**"Up Call"** means  $\text{Max} (\text{Up Final Redemption Value} - \text{Up Strike Percentage}; \text{Up Floor Percentage});$

**"Up Call Spread"** means  $\text{Min} (\text{Max} (\text{Up Final Redemption Value} - \text{Up Strike Percentage}; \text{Up Floor Percentage}); \text{Up Cap Percentage});$

**"Up Forward"** means  $\text{Up Final Redemption Value} - \text{Up Strike Percentage};$

**"Up Put"** means  $\text{Max} (\text{Up Strike Percentage} - \text{Up Final Redemption Value}; \text{Up Floor Percentage});$

**"Up Put Spread"** means  $\text{Min} (\text{Max} (\text{Up Strike Percentage} - \text{Up Final Redemption Value}; \text{Up Floor Percentage}); \text{Up Cap Percentage}).$

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if no Knock-in Event has occurred, a fixed percentage and an indexation (subject to Gearing Up) to the value of the Underlying Reference(s) through the Option Up which may be subject to a maximum level; or*
- *if a Knock-in Event has occurred, a fixed percentage and an indexation (subject to Gearing Down) to the value of the Underlying Reference(s) (this value may differ from the value above) through the Option Down which may be subject to a maximum level (which may differ from the maximum level above).*

### **(aaa) Multiple Final Payout – Flexi Knock-Out Performance Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Flexi Knock-Out Performance:

(A) if no Knock-out Event has occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Gearing Down} \times \text{Option Down});$  or

(B) if a Knock-out Event has occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 2} + \text{Gearing Up} \times \text{Option Up}),$

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where:

"**Down Call**" means Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage);

"**Down Call Spread**" means Min (Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage);

"**Down Forward**" means Down Final Redemption Value – Down Strike Percentage;

"**Down Put**" means Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage);

"**Down Put Spread**" means Min (Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage); Down Cap Percentage);

"**Option Down**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Up**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Up Call**" means Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage);

"**Up Call Spread**" means Min (Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage); Up Cap Percentage);

"**Up Forward**" means Up Final Redemption Value – Up Strike Percentage;

"**Up Put**" means Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage);  
and

"**Up Put Spread**" means Min (Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage); Up Cap Percentage).

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if no Knock-out Event has occurred, a fixed percentage and an indexation (subject to Gearing Down) to the value of the Underlying Reference(s) through the Option Down which may be subject to a maximum level; or*
- *if a Knock-out Event has occurred, a fixed percentage and an indexation (subject to Gearing Up) to the value of the Underlying Reference(s) (this value may differ from the value above)*

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*through the Option Up which may be subject to a maximum level (which may differ from the maximum level above).*

**(bbb) Multiple Final Payout – Hyper-Flexi Knock-In Performance Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout – Hyper-Flexi Knock-In Performance Notes:

(A) if no Knock-in Event has occurred:

Nominal Amount  $\times$  ( Constant Percentage 1 + Gearing Up 1  $\times$  Option Up 1 + Gearing Down 1  $\times$  Option Down 1 ); or

(B) if a Knock-in Event has occurred:

Nominal Amount  $\times$  ( Constant Percentage 2 + Gearing Up 2  $\times$  Option Up 2 + Gearing Down 2  $\times$  Option Down 2 )

where:

"**Gearing Up 1**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Up 2**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Down 1**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Down 2**" means the percentage specified as such in the applicable Final Terms;

"**Down Call**" means Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage);

"**Down Call Spread**" means Min (Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage);

"**Down Forward**" means Down Final Redemption Value – Down Strike Percentage;

"**Down Put**" means Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage);

"**Down Put Spread**" means Min (Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage); Down Cap Percentage);

"**Option Down 1**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Down 2**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

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"**Option Up 1**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Option Up 2**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Up Call**" means  $\text{Max}(\text{Up Final Redemption Value} - \text{Up Strike Percentage}; \text{Up Floor Percentage})$ ;

"**Up Call Spread**" means  $\text{Min}(\text{Max}(\text{Up Final Redemption Value} - \text{Up Strike Percentage}; \text{Up Floor Percentage}); \text{Up Cap Percentage})$ ;

"**Up Forward**" means  $\text{Up Final Redemption Value} - \text{Up Strike Percentage}$ ;

"**Up Put**" means  $\text{Max}(\text{Up Strike Percentage} - \text{Up Final Redemption Value}; \text{Up Floor Percentage})$ ;

"**Up Put Spread**" means  $\text{Min}(\text{Max}(\text{Up Strike Percentage} - \text{Up Final Redemption Value}; \text{Up Floor Percentage}); \text{Up Cap Percentage})$ .

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if no Knock-in Event has occurred, a fixed percentage and an indexation (subject to the relevant gearing) to the value of the Underlying Reference(s) through (1) the Option Up 1 which may be subject to a maximum or a minimum level and (2) through the Option Down 1 which may be subject to a maximum or a minimum level; or*
- *if a Knock-in Event has occurred, a fixed percentage (which may differ from the fixed percentage above) and an indexation (subject to the relevant gearing) to the value of the Underlying Reference(s) (this value may differ from the value above) through (1) the Option Down 2 which may be subject to a maximum or a minimum level (which may differ from the maximum level above) and (2) the Option Up 2 which may be subject to a maximum or a minimum level.*

### **(ccc) Multiple Final Payout – Hyper-Flexi Knock-Out Performance Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout – Hyper-Flexi Knock-out Performance Notes:

(A) if no Knock-out Event has occurred:

$\text{Nominal Amount} \times (\text{Constant Percentage 1} + \text{Gearing Up 1} \times \text{Option Up 1} + \text{Gearing Down 1} \times \text{Option Down 1})$ ; or

(B) if a Knock-out Event has occurred:

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Nominal Amount  $\times$  ( Constant Percentage 2 + Gearing Up 2  $\times$  Option Up 2 + Gearing Down 2  $\times$  Option Down 2 )

where:

"**Gearing Up 1**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Up 2**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Down 1**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Down 2**" means the percentage specified as such in the applicable Final Terms;

"**Down Call**" means Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage);

"**Down Call Spread**" means Min (Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage);

"**Down Forward**" means Down Final Redemption Value – Down Strike Percentage;

"**Down Put**" means Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage);

"**Down Put Spread**" means Min (Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage); Down Cap Percentage);

"**Option Down 1**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Down 2**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Up 1**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Option Up 2**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Up Call**" means Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage);

"**Up Call Spread**" means Min (Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage); Up Cap Percentage);

"**Up Forward**" means Up Final Redemption Value – Up Strike Percentage;



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"**Up Put**" means  $\text{Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage)}$ ;

"**Up Put Spread**" means  $\text{Min (Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage); Up Cap Percentage)}$ .

### *Description of the Final Payout*

*The Final Payout comprises:*

- *if no Knock-out Event has occurred, a fixed percentage and an indexation (subject to the relevant gearing) to the value of the Underlying Reference(s) through (1) the Option Up 1 which may be subject to a maximum or a minimum level and (2) through the Option Down 1 which may be subject to a maximum or a minimum level; or*
- *if a Knock-out Event has occurred, a fixed percentage (which may differ from the fixed percentage above) and an indexation (subject to the relevant gearing) to the value of the Underlying Reference(s) (this value may differ from the value above) through (1) the Option Down 2 which may be subject to a maximum or a minimum level (which may differ from the maximum level above) and (2) the Option Up 2 which may be subject to a maximum or a minimum level.*

### **(ddd) Multiple Final Payout – Hyper-Flexi Multi Knock-In Performance Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout – Hyper-Flexi Multi Knock-In Performance Notes:

(A) if no Knock-In Event has occurred:

- i. if Global Cap 1 and Global Floor 1 are specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 1} + [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) ] \}$$

- ii. if Global Cap 1 is specified as applicable and Global Floor 1 is specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 1} + \text{Min} [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) ]; \text{Global Cap 1} ] \}$$

- iii. if Global Cap 1 is specified as not applicable and Global Floor 1 is specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 1} + \text{Max} [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) ]; \text{Global Floor 1} ] \}$$

- iv. if Global Cap 1 and Global Floor 1 are specified as applicable in the applicable Final Terms:

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$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 1} + \text{Min} [ \text{Max} [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) ; \text{Global Floor 1} ] ; \text{Global Cap 1} ] \}$$

(B) if a Knock-In Event has occurred:

i. if Global Cap 2 and Global Floor 2 are specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 2} + [ \text{Sum} ( j = 1, 2, \dots, J ) W_{(j)} \times ( \text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)} ) ] \}$$

ii. if Global Cap 2 is specified as applicable and Global Floor 2 is specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 2} + \text{Min} [ \text{Sum} ( j = 1, 2, \dots, J ) W_{(j)} \times ( \text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)} ) , \text{Global Cap 2} ] \}$$

iii. if Global Cap 2 is specified as not applicable and Global Floor 2 is specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 2} + \text{Max} [ \text{Sum} ( j = 1, 2, \dots, J ) W_{(j)} \times ( \text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)} ) , \text{Global Floor 2} ] \}$$

iv. if Global Cap 2 and Global Floor 2 are specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 2} + \text{Min} [ \text{Max} [ \text{Sum} ( j = 1, 2, \dots, J ) W_{(j)} \times ( \text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)} ) , \text{Global Floor 2} ] ; \text{Global Cap 2} ] \}$$

where:

"**Fixed Percentage 1**" is as defined in the applicable Final Terms;

"**Fixed Percentage 2**" is as defined in the applicable Final Terms;

"**Global Cap 1**" is as defined in the applicable Final Terms;

"**Global Floor 1**" is as defined in the applicable Final Terms;

"**Global Cap 2**" is as defined in the applicable Final Terms;

"**Global Floor 2**" is as defined in the applicable Final Terms;

"**J**" is as defined in the applicable Final Terms;

"**N**" is as defined in the applicable Final Terms;

"**n**" is as defined in the applicable Final Terms;

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"**Constant Percentage<sub>n</sub>**" means the percentage specified as such in the applicable Final Terms;

"**Gearing<sub>n</sub>**" is as defined in the applicable Final Terms;

"**Generic Percentage<sub>(n,1)</sub>**" is as defined in the applicable Final Terms;

"**Generic Percentage<sub>(n,2)</sub>**" is as defined in the applicable Final Terms;

"**Floor Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Loss Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Final Redemption Value<sub>(n)</sub>**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms

"**Strike Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Spread Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Option<sub>n</sub>**" means Put<sub>(n)</sub>, Put Spread<sub>(n)</sub>, Call<sub>(n)</sub>, Call Spread<sub>(n)</sub>, EDS<sub>(n)</sub> or Forward<sub>(n)</sub> as specified in the applicable Final Terms;

"**EDS<sub>(n)</sub>**" means  $\text{Max} (\text{Floor Percentage}_{(n)}, \text{Min} (\text{Generic Percentage}_{(n,1)} - n\text{EDS}_{(n)} \times \text{Loss Percentage}_{(n)}, \text{Generic Percentage}_{(n,2)}))$ ;

"**Forward<sub>(n)</sub>**" means  $\text{Final Redemption Value}_{(n)} - \text{Strike Percentage}_{(n)}$ ;

"**nEDS<sub>(n)</sub>**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage<sub>(n)</sub>;

"**EDS Barrier Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Call<sub>(n)</sub>**" means  $\text{Max} (\text{Final Redemption Value}_{(n)} - \text{Strike Percentage}_{(n)}; \text{Generic Percentage}_{(n,1)})$ ;

"**Call Spread<sub>(n)</sub>**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value}_{(n)} - \text{Strike Percentage}_{(n)}; \text{Generic Percentage}_{(n,1)}); \text{Spread Percentage}_{(n)})$ ;

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"**Put<sub>(n)</sub>**" means  $\text{Max} (\text{Strike Percentage}_{(n)} - \text{Final Redemption Value}_{(n)}; \text{Generic Percentage}_{(n,1)})$ ;

"**Put Spread<sub>(n)</sub>**" means  $\text{Min} (\text{Max} (\text{Strike Percentage}_{(n)} - \text{Final Redemption Value}_{(n)}; \text{Generic Percentage}_{(n,1)}); \text{Spread Percentage}_{(n)})$ ;

"**Constant Percentage<sub>j</sub>**" is as defined in the applicable Final Terms;

"**Gearing<sub>j</sub>**" is as defined in the applicable Final Terms;

"**Generic Percentage<sub>(j,1)</sub>**" is as defined in the applicable Final Terms;

"**Generic Percentage<sub>(j,2)</sub>**" is as defined in the applicable Final Terms;

"**Floor Percentage<sub>(j)</sub>**" is as defined in the applicable Final Terms;

"**Loss Percentage<sub>(j)</sub>**" is as defined in the applicable Final Terms;

"**Final Redemption Value<sub>(j)</sub>**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Strike Percentage<sub>(j)</sub>**" is as defined in the applicable Final Terms;

"**Spread Percentage<sub>(j)</sub>**" is as defined in the applicable Final Terms;

"**Option<sub>j</sub>**" means  $\text{Put}_{(j)}$ ,  $\text{Put Spread}_{(j)}$ ,  $\text{Call}_{(j)}$ ,  $\text{Call Spread}_{(j)}$ ,  $\text{EDS}_{(j)}$  or  $\text{Forward}_{(j)}$  as specified in the applicable Final Terms;

"**EDS<sub>(j)</sub>**" means  $\text{Max} (\text{Floor Percentage}_{(j)}, \text{Min} (\text{Generic Percentage}_{(j,1)} - \text{nEDS}_{(j)} \times \text{Loss Percentage}_{(j)}, \text{Generic Percentage}_{(j,2)}))$ ;

"**Forward<sub>(j)</sub>**" means  $\text{Final Redemption Value}_{(j)} - \text{Strike Percentage}_{(j)}$ ;

"**nEDS<sub>(j)</sub>**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms,  $\text{EDS Barrier Percentage}_{(j)}$ ;

"**EDS Barrier Percentage<sub>(j)</sub>**" is as defined in the applicable Final Terms;

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"**Call<sub>(j)</sub>**" means  $\text{Max} (\text{Final Redemption Value}_{(j)} - \text{Strike Percentage}_{(j)}; \text{Generic Percentage}_{(j,1)})$ ;

"**Call Spread<sub>(j)</sub>**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value}_{(j)} - \text{Strike Percentage}_{(j)}; \text{Generic Percentage}_{(j,1)}); \text{Spread Percentage}_{(j)})$ ;

"**Put<sub>(j)</sub>**" means  $\text{Max} (\text{Strike Percentage}_{(j)} - \text{Final Redemption Value}_{(j)}; \text{Generic Percentage}_{(j,1)})$ ; and

"**Put Spread<sub>(j)</sub>**" means  $\text{Min} (\text{Max} (\text{Strike Percentage}_{(j)} - \text{Final Redemption Value}_{(j)}; \text{Generic Percentage}_{(j,1)}); \text{Spread Percentage}_{(j)})$

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if a Knock-in Event has not occurred, a fixed percentage and, if Option is Call, Call Spread, Put, Put Spread, or Forward, a weighted sum of another fixed percentage and an indexation (subject to gearing) to the value of the Underlying Reference(s); or*
- *if a Knock-in Event has not occurred a fixed percentage and, if Option is EDS, a weighted sum of another percentage and a further percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to gearing. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*
- *If a Knock-in Event has occurred, the Final Payout will have the same features described above and, possibly, different fixed percentages, constant percentages, gearing, Options and/or Underlying Reference(s).*
- *The Final Payout may be subject to a Global Cap and/or a Global Floor.*
- *Physical Delivery may also apply.*

### **(eee) Multiple Final Payout – Hyper-Flexi Multi Knock-out Performance Notes**

If the Notes are specified in the applicable Final Terms as Multiple Final Payout – Hyper-Flexi Multi Knock-Out Performance Notes:

(A) if no Knock-Out Event has occurred:

- i. if Global Cap 1 and Global Floor 1 are specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 1} + [ \text{Sum} (n = 1, 2, \dots, N) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) ] \}$$

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- ii. if Global Cap 1 is specified as applicable and Global Floor 1 is specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 1} + \text{Min} [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) ; \text{Global Cap 1} ] \}$$

- iii. if Global Cap 1 is specified as not applicable and Global Floor 1 is specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 1} + \text{Max} [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) ; \text{Global Floor 1} ] \}$$

- iv. if Global Cap 1 and Global Floor 1 are specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 1} + \text{Min} [ \text{Max} [ \text{Sum} ( n = 1, 2, \dots, N ) W_{(n)} \times ( \text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)} ) ; \text{Global Floor 1} ] ; \text{Global Cap 1} ] \}$$

- (B) if a Knock-Out Event has occurred:

- i. if Global Cap 2 and Global Floor 2 are specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 2} + [ \text{Sum} ( j = 1, 2, \dots, J ) W_{(j)} \times ( \text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)} ) ] \}$$

- ii. if Global Cap 2 is specified as applicable and Global Floor 2 is specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 2} + \text{Min} [ \text{Sum} ( j = 1, 2, \dots, J ) W_{(j)} \times ( \text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)} ) , \text{Global Cap 2} ] \}$$

- iii. if Global Cap 2 is specified as not applicable and Global Floor 2 is specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 2} + \text{Max} [ \text{Sum} ( j = 1, 2, \dots, J ) W_{(j)} \times ( \text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)} ) , \text{Global Floor 2} ] \}$$

- iv. if Global Cap 2 and Global Floor 2 are specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times \{ \text{Fixed Percentage 2} + \text{Min} [ \text{Max} [ \text{Sum} ( j = 1, 2, \dots, J ) W_{(j)} \times ( \text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)} ) , \text{Global Floor 2} ] ; \text{Global Cap 2} ] \}$$

where:

"Fixed Percentage 1" is as defined in the applicable Final Terms;

"Fixed Percentage 2" is as defined in the applicable Final Terms;

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"**Global Cap 1**" is as defined in the applicable Final Terms;

"**Global Floor 1**" is as defined in the applicable Final Terms;

"**Global Cap 2**" is as defined in the applicable Final Terms;

"**Global Floor 2**" is as defined in the applicable Final Terms;

"**N**" is as defined in the applicable Final Terms;

"**n**" is as defined in the applicable Final Terms;

"**J**" is as defined in the applicable Final Terms;

"**Constant Percentage<sub>n</sub>**" means the percentage specified as such in the applicable Final Terms;

"**Gearing<sub>n</sub>**" is as defined in the applicable Final Terms;

"**Generic Percentage<sub>(n,1)</sub>**" is as defined in the applicable Final Terms;

"**Generic Percentage<sub>(n,2)</sub>**" is as defined in the applicable Final Terms;

"**Floor Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Loss Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Final Redemption Value<sub>(n)</sub>**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms

"**Strike Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Spread Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Option<sub>n</sub>**" means Put<sub>(n)</sub>, Put Spread<sub>(n)</sub>, Call<sub>(n)</sub>, Call Spread<sub>(n)</sub>, EDS<sub>(n)</sub> or Forward<sub>(n)</sub> as specified in the applicable Final Terms;

"**EDS<sub>(n)</sub>**" means  $\text{Max}(\text{Floor Percentage}_{(n)}, \text{Min}(\text{Generic Percentage}_{(n,1)} - n\text{EDS}_{(n)} \times \text{Loss Percentage}_{(n)}, \text{Generic Percentage}_{(n,2)}))$ ;

"**Forward<sub>(n)</sub>**" means  $\text{Final Redemption Value}_{(n)} - \text{Strike Percentage}_{(n)}$ ;

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"**nEDS<sub>(n)</sub>**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage<sub>(n)</sub>;

"**EDS Barrier Percentage<sub>(n)</sub>**" is as defined in the applicable Final Terms;

"**Call<sub>(n)</sub>**" means  $\text{Max}(\text{Final Redemption Value}_{(n)} - \text{Strike Percentage}_{(n)}; \text{Generic Percentage}_{(n,1)})$ ;

"**Call Spread<sub>(n)</sub>**" means  $\text{Min}(\text{Max}(\text{Final Redemption Value}_{(n)} - \text{Strike Percentage}_{(n)}; \text{Generic Percentage}_{(n,1)}); \text{Spread Percentage}_{(n)})$ ;

"**Put<sub>(n)</sub>**" means  $\text{Max}(\text{Strike Percentage}_{(n)} - \text{Final Redemption Value}_{(n)}; \text{Generic Percentage}_{(n,1)})$ ;

"**Put Spread<sub>(n)</sub>**" means  $\text{Min}(\text{Max}(\text{Strike Percentage}_{(n)} - \text{Final Redemption Value}_{(n)}; \text{Generic Percentage}_{(n,1)}); \text{Spread Percentage}_{(n)})$ ;

"**Constant Percentage<sub>j</sub>**" is as defined in the applicable Final Terms;

"**Gearing<sub>j</sub>**" is as defined in the applicable Final Terms;

"**Generic Percentage<sub>(j,1)</sub>**" is as defined in the applicable Final Terms;

"**Generic Percentage<sub>(j,2)</sub>**" is as defined in the applicable Final Terms;

"**Floor Percentage<sub>j</sub>**" is as defined in the applicable Final Terms;

"**Loss Percentage<sub>j</sub>**" is as defined in the applicable Final Terms;

"**Final Redemption Value<sub>j</sub>**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Strike Percentage<sub>j</sub>**" is as defined in the applicable Final Terms;

"**Spread Percentage<sub>j</sub>**" is as defined in the applicable Final Terms;

"**Option<sub>j</sub>**" means Put<sub>(j)</sub>, Put Spread<sub>(j)</sub>, Call<sub>(j)</sub>, Call Spread<sub>(j)</sub>, EDS<sub>(j)</sub> or Forward<sub>(j)</sub> as specified in the applicable Final Terms;



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"**EDS<sub>(j)</sub>**" means  $\text{Max} (\text{Floor Percentage}_{(j)}, \text{Min} (\text{Generic Percentage}_{(j,1)} - n\text{EDS}_{(j)} \times \text{Loss Percentage}_{(j)}, \text{Generic Percentage}_{(j,2)}))$ ;

"**Forward<sub>(j)</sub>**" means  $\text{Final Redemption Value}_{(j)} - \text{Strike Percentage}_{(j)}$ ;

"**nEDS<sub>(j)</sub>**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Redemption Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage<sub>(j)</sub>;

"**EDS Barrier Percentage<sub>(j)</sub>**" is as defined in the applicable Final Terms;

"**Call<sub>(j)</sub>**" means  $\text{Max} (\text{Final Redemption Value}_{(j)} - \text{Strike Percentage}_{(j)}; \text{Generic Percentage}_{(j,1)})$ ;

"**Call Spread<sub>(j)</sub>**" means  $\text{Min} (\text{Max} (\text{Final Redemption Value}_{(j)} - \text{Strike Percentage}_{(j)}; \text{Generic Percentage}_{(j,1)}); \text{Spread Percentage}_{(j)})$ ;

"**Put<sub>(j)</sub>**" means  $\text{Max} (\text{Strike Percentage}_{(j)} - \text{Final Redemption Value}_{(j)}; \text{Generic Percentage}_{(j,1)})$ ; and

"**Put Spread<sub>(j)</sub>**" means  $\text{Min} (\text{Max} (\text{Strike Percentage}_{(j)} - \text{Final Redemption Value}_{(j)}; \text{Generic Percentage}_{(j,1)}); \text{Spread Percentage}_{(j)})$

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if a Knock-out Event has not occurred, a fixed percentage and, if Option is Call, Call Spread, Put, Put Spread, or Forward, a weighted sum of another fixed percentage and an indexation (subject to gearing) to the value of the Underlying Reference(s); or*
- *if a Knock-out Event has not occurred a fixed percentage and, if Option is EDS, a weighted sum of another percentage and a further percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to gearing. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage to be applied to the Nominal Amount for determining the Final Payout.*
- *If a Knock-out Event has occurred, the Final Payout will have the same features described above and, possibly, different fixed percentages, constant percentages, gearing, Options and/or Underlying Reference(s).*
- *The Final Payout may be subject to a Global Cap and/or a Global Floor.*
- *Physical Delivery may also apply.*

### **(fff) Multiple Final Payout – Capped and Floored Ratchet Notes**

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If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Capped and Floored Ratchet Notes:

- (i) if Local Cap is specified as not applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times ( \text{Max} ( \text{Sum} ( q = 1, 2, \dots, Q ) \text{Max} ( ( \text{Constant Percentage} 1 + \text{Final Redemption Value}_{(q)} - \text{Strike Percentage} ) , \text{Local Floor Percentage} ) , \text{Global Floor Percentage} ) );$$

Or

$$\text{Nominal Amount} \times ( \text{Max} ( \text{Sum} ( i = 1, 2, \dots, I ) \text{Sum} ( q = 1, 2, \dots, Q ) \text{Max} ( ( \text{Constant Percentage} 1 + \text{Final Redemption Value}_{(i,q)} - \text{Strike Percentage}_{(i,q)} ) , \text{Local Floor Percentage}_{(i,q)} ) , \text{Global Floor Percentage} ) );$$

- (ii) if Local Cap is specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times ( \text{Max} ( \text{Sum} ( q = 1, 2, \dots, Q ) \text{Max} ( \text{Min} ( \text{Constant Percentage} 1 + \text{Final Redemption Value}_{(q)} - \text{Strike Percentage} , \text{Local Cap Percentage} ) , \text{Local Floor Percentage} ) , \text{Global Floor Percentage} ) );$$

Or

$$\text{Nominal Amount} \times ( \text{Max} ( \text{Sum} ( q = 1, 2, \dots, Q ) \text{Max} ( \text{Min} ( \text{Constant Percentage} 1 + \text{Final Redemption Value}_{(i,q)} - \text{Strike Percentage}_{(i,q)} , \text{Local Cap Percentage}_{(i,q)} ) , \text{Local Floor Percentage} ) , \text{Global Floor Percentage} ) );$$

Where

"I" is as defined in the relevant Final Terms;

"Q" is as defined in the relevant Final Terms.

***Description of the Final Payout***

*The Final Payout provides a fixed percentage and an amount equal to the sum of the Final Redemption Values above the Strike Percentage with a Local Floor Percentage and possibly a Local Cap Percentage, subject to a floor of the Global Floor Percentage. The Final Redemption Values are calculated on each MFP Valuation Date during the MFP Valuation Period and each may be subject to a cap and/or a floor.*

**(ggg) Multiple Final Payout – Weighted Mixed Payouts Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Weighted Mixed Payouts Notes:

$$\text{Nominal Amount} \times ( \text{Constant Mixed Percentage} + \text{Sum} ( a = 1, 2, \dots, A ) \text{PW}_{(a)} \text{Prod} ( b = 1, 2, \dots, B ) \text{Additional Final Payout}_{(a,b)} )$$

where:

"Constant Mixed Percentage" is as defined in the relevant Final Terms;

"PW" is the relevant Additional Final Payout Weighting;

"A" is the number specified as such in the applicable Final Terms;

"a" is as defined in the applicable Final Terms;

"B" is the number specified as such in the applicable Final Terms.

"b" is as defined in the applicable Final Terms.

***Description of the Final Payout***

*The Final Payout comprises a constant percentage and a weighted sum of two or more Final Payouts provided in the Conditions and specified in the applicable Final Terms.*

**(hhh) Multiple Final Payout – Knock-In Mixed Payouts Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Knock-In Mixed Payouts Notes:

(A) if no Knock-in Event has occurred:

Nominal Amount  $\times$  ( Mixed Constant 1 + Mixed Gearing 1  $\times$  Additional Final Payout 1 ); or

(B) if a Knock-in Event has occurred:

Nominal Amount  $\times$  ( Mixed Constant 2 + Mixed Gearing 2  $\times$  Additional Final Payout 2 );

where:

"Mixed Constant 1" is as defined in the relevant Final Terms;

"Mixed Constant 2" is as defined in the relevant Final Terms;

"Mixed Gearing 1" is as defined in the relevant Final Terms;

"Mixed Gearing 2" is as defined in the relevant Final Terms.

***Description of the Final Payout***

*The Final Payout comprises:*

- *if no Knock-in Event occurs, a fixed percentage and geared indexation to the value of the Underlying Reference(s) through a Final Payout provided in the Conditions and specified in the applicable Final Terms*
- *if a Knock-in Event has occurred, a fixed percentage and geared indexation to the value of the Underlying Reference(s) through a possibly different Final Payout provided in the Conditions and specified in the applicable Final Terms*

**(iii) Multiple Final Payout – Knock-out Mixed Payouts Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Knock-out Mixed Payouts Notes:

(A) if no Knock-out Event has occurred:

Nominal Amount  $\times$  ( Mixed Constant 1 + Mixed Gearing 1  $\times$  Additional Final Payout 1 ); or

(B) if a Knock-out Event has occurred:

Nominal Amount  $\times$  ( Mixed Constant 2 + Mixed Gearing 2  $\times$  Additional Final Payout 2 );

where:

"Mixed Constant 1" is as defined in the relevant Final Terms;

"Mixed Constant 2" is as defined in the relevant Final Terms;

"Mixed Gearing 1" is as defined in the relevant Final Terms;

"Mixed Gearing 2" is as defined in the relevant Final Terms.

***Description of the Final Payout***

*The Final Payout comprises:*

- *if no Knock-out Event occurs, a fixed percentage and geared indexation to the value of the Underlying Reference(s) through a Final Payout provided in the Conditions and specified in the applicable Final Terms*
- *if a Knock-out Event has occurred, a fixed percentage and geared indexation to the value of the Underlying Reference(s) through a possibly different Final Payout provided in the Conditions and specified in the applicable Final Terms*

**(jjj) Multiple Final Payout – Max Mixed Payouts Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Max Mixed Payouts Notes:

Nominal Amount  $\times$  ( Constant Mixed Percentage + Max ( a = 1, 2, ..., A ) Additional Final Payout<sub>(a)</sub> )

where:

"a" is as defined in the applicable Final Terms;

"A" is the number specified as such in the applicable Final Terms;

"Constant Mixed Percentage" is as defined in the relevant Final Terms.

***Description of the Final Payout***

*The Final Payout comprises a maximum of two or more Final Payouts provided in the Conditions and specified in the applicable Final Terms.*

**(kkk) Multiple Final Payout – Leveraged Notes**

If the Notes are Fund Linked Notes and are specified in the applicable Final Terms as being Leveraged Notes:

$$\text{Nominal Amount} \times (\text{Reference Level} - \text{Fixed Percentage})$$

where:

"Reference Level" means:

$$\text{Reference Level}_0 \times (1 + \text{Participation Factor} \times (\text{Fund Level}_t - \text{Fund Level}_0) / \text{Fund Level}_0 - (\text{Participation Factor} - 1) \times \text{Fees}_t)$$

"Reference Level<sub>0</sub>" means the number (expressed as a percentage) specified in the Final Terms;

"Fund Level<sub>0</sub>" means the Settlement Price of the relevant Underlying Reference(s) as of the Fixing Date;

"Fund Level<sub>t</sub>" means the Settlement Price of the relevant Underlying Reference(s) as of the MFP Redemption Valuation Date;

"Fixing Date" means the Calculation Date immediately preceding the First Calculation Date;

"Calculation Date" means each day which is a Fund Business Day;

"Day Count Fraction" is as defined in the applicable Final Terms;

"First Calculation Date" means the date specified as such in the applicable Final Terms;

"Fees<sub>t</sub>" means the cumulative leverage fee, expressed as a percentage and calculated by the Calculation Agent as the aggregate sum of the Fees Accrued during each Fees Accrual Period;

"Fees Accrued" means, in respect of a Fee Accrual Period, the fees accrued during such period, expressed as a percentage and calculated by the Calculation Agent as follows:

$$(\text{Fee ISDA Rate} + \text{Fee Margin}) \times \text{Day Count Fraction}$$

"Fee ISDA Rate" means the floating rate determined according to the ISDA Determination under Base Condition 7(d)(i) as indicated in the applicable Final Terms;

"**Fee Margin**" is as defined in the applicable Final Terms;

"**Fee Accrual Period(s)**" means the periods commencing on (and including) the Fee Accrual Commencing Date up to (but excluding) the first Fee Accrual Date and each subsequent period commencing on (and including) a Fee Accrual Date up to (but excluding) the next following Fee Accrual Date;

"**Fee Accrual Commencing Date**" is as defined in the applicable Final Terms;

"**Fee Accrual Date(s)**" is as defined in the relevant Final Terms;

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

"**Participation Factor**" is as defined in the applicable Final Terms.

***Description of the Final Payout***

*The Final Payout comprises a leveraged indexation to the performance of the Underlying Reference(s) above the Fixed Percentage and net of any fees accrued, as calculated on each Fee Accrual Date(s) during the Fee Accrual Period(s).*

**(III) Multiple Final Payout – Best Entry Notes**

If the Notes are specified in the applicable Final Terms as being Multiple Final Payout – Best Entry Notes:

$$\text{Nominal Amount} \times \sum_n^N \text{Weight}(n) \times \text{Best Entry Level}(n)$$

Where:

"**n**" is as defined in the applicable Final Terms;

"**N**" is as defined in the applicable Final Terms;

"**Weight(n)**" is as defined in the applicable Final Terms;

"**Best Entry Level(n)**" means in respect of each Lock-in Event(n):

- If Lock-in Event(n) has occurred:

Underlying Reference Closing Price Value of the Underlying Reference ÷ Best Entry Strike(n); and

- If Lock-in Event(n) has not occurred:

the percentage indicated in the applicable Final Terms

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“**Lock-in Event(n)**” is deemed to have occurred if on any Lock-in Event Date, for the first time, the Closing Level of the Underlying Reference is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Lock-in Barrier(n);

“**Lock-in Event Date**” means the Daily Valuation Date(s), or the Weekly Valuation Date(s), or the different date(s) indicated as such in the applicable Final Terms, all as indicated in the relevant Final Terms;

“**Daily Valuation Date(s)**” means each Scheduled Trading Day that is not a Disrupted Day from (but excluding) the Strike Date, or the last Strike Day of the Strike Period or the different date indicated in the applicable Final Terms, to (and including) the Redemption Valuation Date, as indicated in the applicable Final Terms;

“**Weekly Valuation Date(s)**” means each Scheduled Trading Day that is not a Disrupted Day from (but excluding) the Strike Date, or the last Strike Day of the Strike Period or the different date indicated in the applicable Final Terms, to (and including) the Redemption Valuation Date which occurs on a weekday specified in the relevant Final Terms, all as specified in the applicable Final Terms. If such weekday is not a Scheduled Trading Day or is a Disrupted Day, the immediately succeeding Scheduled Trading Day which is not a Disrupted Day;

“**Lock-in Barrier(n)**” means the value(s) indicated in the applicable Final Terms;

“**Best Entry Strike(n)**” means the value(s) indicated in the applicable Final Terms.

### ***Description of the Final Payout***

*The Final Payout embeds a rule-based investment mechanism that allows the investor to get exposure to the underlying asset if certain conditions are met.*

*At inception, the product has an initial allocation in cash and eventually an initial percentage of underlying asset. On a periodical basis, the level of the underlying is monitored and if this is below, above or within relevant threshold, part of the cash outstanding is invested in the underlying asset.*

*In case all the conditions are met, the product will be fully invested in the underlying asset, and the final payoff is a delta one with the underlying performance.*

### (mmm) **Single FI FX Vanilla Notes**

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

- (i) if Knock-in Event is specified as applicable in the applicable Final Terms:
  - (A) if no Knock-in Event has occurred:

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Nominal Amount  $\times$  FI Constant Percentage 1; or

(B) if a Knock-in Event has occurred:

Nominal Amount  $\times$  (FI Constant Percentage 1 + (Gearing  $\times$  Option));

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

Nominal Amount  $\times$  (FI Constant Percentage 1 + (Gearing  $\times$  Option));

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

(A) if a Knock-in Event has occurred but a Knock-out Event has not occurred:

Nominal Amount  $\times$  (FI Constant Percentage 1 + (Gearing  $\times$  Option));

(B) in all other cases:

Nominal Amount  $\times$  (FI Constant Percentage 1)

where:

"Option" means Max (Performance Value, Floor).

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if Knock-in Event is specified as applicable in the applicable Final Terms:*
  - *if no Knock-in event has occurred, a fixed percentage; or*
  - *if a Knock-in event has occurred, a fixed percentage plus an indexation (subject to Gearing) to the Underlying Reference(s), subject to a floor;*
- *if Knock-in Event is specified as not applicable in the applicable Final Terms, a fixed percentage plus an indexation (subject to Gearing) to the Underlying Reference(s), subject to a floor*
- *if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:*
  - *if a Knock-in event has occurred but no Knock-out Event has occurred, a fixed percentage plus an indexation (subject to Gearing) to the Underlying Reference(s), subject to a floor; or*
  - *if a Knock-out Event has occurred, a fixed percentage.*

### (nnn) **Single FI Digital Floor Notes**

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



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- (i) if Knock-in Event is specified as applicable in the applicable Final Terms:
- (A) if no Knock-in Event has occurred:
- $\text{Nominal Amount} \times \text{FI Constant Percentage 1};$
- (B) if a Knock-in Event has occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Redemption Valuation Date:
- $\text{Nominal Amount} \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 1});$   
or
- (C) if a Knock-in Event has occurred and the FI Digital Floor Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:
- $\text{Nominal Amount} \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 2})$
- (ii) if Knock-in Event is specified as not applicable in the applicable Final Terms:
- (A) if the FI Digital Floor Condition is satisfied in respect of the relevant FI Redemption Valuation Date:
- $\text{Nominal Amount} \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 1})$
- (B) if the FI Digital Floor Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:
- $\text{Nominal Amount} \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 2})$
- (iii) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
- (A) if no Knock-in Event has occurred:
- $\text{Nominal Amount} \times \text{FI Constant Percentage 1};$  or
- (B) if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Redemption Valuation Date:
- $\text{Nominal Amount} \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 1});$   
or
- (C) in all other cases:
- $\text{Nominal Amount} \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 2})$

***Description of the Final Payout***

*The Final Payout comprises:*

- *if Knock-in Event is specified as applicable in the applicable Final Terms:*

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- *if no Knock-in event has occurred, a fixed percentage;*
- *if a Knock-in event has occurred and the FI Digital Floor Condition is satisfied, a fixed percentage plus the Digital Floor Percentage 1; or*
- *if a Knock-in event has occurred and the FI Digital Floor Condition is not satisfied, a fixed percentage plus the Digital Floor Percentage 2;*
- *if Knock-in Event is specified as not applicable in the applicable Final Terms:*
  - *if the FI Digital Floor Condition is satisfied, a fixed percentage plus the Digital Floor Percentage 1; or*
  - *if the FI Digital Floor Condition is not satisfied, a fixed percentage plus the Digital Floor Percentage 2;*
- *if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:*
  - *if no Knock-in event has occurred, a fixed percentage;*
  - *if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Floor Condition is satisfied, a fixed percentage plus the Digital Floor Percentage 1; or*
  - *otherwise, a fixed percentage plus the Digital Floor Percentage 2.*

### (ooo) **Single FI Digital Cap Notes**

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

- (i) if Knock-in Event is specified as applicable in the applicable Final Terms:
  - (A) if no Knock-in Event has occurred:

Nominal Amount  $\times$  FI Constant Percentage 1;
  - (B) if a Knock-in Event has occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Redemption Valuation Date:

Nominal Amount  $\times$  (FI Constant Percentage 1+ Digital Cap Percentage 1); or
  - (C) if a Knock-in Event has occurred and the FI Digital Cap Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:

Nominal Amount  $\times$  (FI Constant Percentage 1+ Digital Cap Percentage 2); or
- (ii) if Knock-in Event is specified as not applicable in the applicable Final Terms:
  - (A) if the FI Digital Cap Condition is satisfied in respect of the relevant FI Redemption Valuation Date:

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Nominal Amount  $\times$  (FI Constant Percentage 1 + Digital Cap Percentage 1);  
or

- (B) if the FI Digital Cap Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:

Nominal Amount  $\times$  (FI Constant Percentage 1 + Digital Cap Percentage 2);  
or

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

- (A) if no Knock-in Event has occurred:

Nominal Amount  $\times$  FI Constant Percentage 1; or

- (B) if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Redemption Valuation Date:

Nominal Amount  $\times$  (FI Constant Percentage 1 + Digital Cap Percentage 1);  
or

- (C) in all other cases:

Nominal Amount  $\times$  (FI Constant Percentage 1 + Digital Cap Percentage 2).

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if Knock-in Event is specified as applicable in the applicable Final Terms:*
  - *if no Knock-in event has occurred, a fixed percentage;*
  - *if a Knock-in event has occurred and the FI Digital Cap Condition is satisfied, a fixed percentage plus the Digital Cap Percentage 1; or*
  - *if a Knock-in event has occurred and the FI Digital Cap Condition is not satisfied, a fixed percentage plus the Digital Cap Percentage 2;*
- *if Knock-in Event is specified as not applicable in the applicable Final Terms:*
  - *if the FI Digital Cap Condition is satisfied, a fixed percentage plus the Digital Cap Percentage 1; or*
  - *if the FI Digital Cap Condition is not satisfied, a fixed percentage plus the Digital Cap Percentage 2;*
- *if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:*

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- *if no Knock-in event has occurred, a fixed percentage;*
- *if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Cap Condition is satisfied, a fixed percentage plus the Digital Cap Percentage 1; or*
- *otherwise, a fixed percentage plus the Digital Cap Percentage 2.*

### (ppp) **Single FI Digital Plus Notes**

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

- (i) if Knock-in Event is specified as applicable in the applicable Final Terms:
  - (A) if, irrespective of whether a Knock-in Event has or has not occurred, the FI Digital Plus Condition is satisfied in respect of the relevant FI Redemption Valuation Date:  
$$\text{Nominal Amount} \times (\text{FI Constant Percentage 1} + \text{Max} (\text{Digital Plus Percentage 1, (Gearing A} \times \text{FI Digital Value)})); \text{ or}$$
  - (B) if no Knock-in Event has occurred and the FI Digital Plus Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:  
$$\text{Nominal Amount} \times \text{FI Constant Percentage 1}; \text{ or}$$
  - (C) if a Knock-in Event has occurred and the FI Digital Plus Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:  
$$\text{Nominal Amount} \times (\text{FI Constant Percentage 1} + \text{Min} (\text{Digital Plus Percentage 2, Max} ((\text{Gearing B} \times \text{FI Digital Value}), \text{FI Digital Floor Percentage})));$$
- (ii) if Knock-in Event is specified as not applicable in the applicable Final Terms:
  - (A) if the FI Digital Plus Condition is satisfied in respect of the relevant FI Redemption Valuation Date:  
$$\text{Nominal Amount} \times (\text{FI Constant Percentage 1} + \text{Max} (\text{Digital Plus Percentage 1, (Gearing A} \times \text{FI Digital Value)})); \text{ or}$$
  - (B) if the FI Digital Plus Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:  
$$\text{Nominal Amount} \times (\text{FI Constant Percentage 1} + \text{Min} (\text{Digital Plus Percentage 2, Max} ((\text{Gearing B} \times \text{FI Digital Value}), \text{FI Digital Floor Percentage})));$$
- (iii) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
  - (A) irrespective of whether a Knock-in Event and/or Knock-out Event has occurred, if the FI Digital Plus Condition is satisfied in respect of the relevant FI Redemption Valuation Date:

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Nominal Amount  $\times$  (FI Constant Percentage 1 + Max (Digital Plus Percentage 1, (Gearing A  $\times$  FI Digital Value))); or

- (B) if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Plus Condition is not satisfied in respect of the relevant FI Redemption Valuation Date:

Nominal Amount  $\times$  (FI Constant Percentage 1 + Max (Digital Plus Percentage 2, Max ((Gearing B  $\times$  FI Digital Value), FI Digital Floor Percentage))); or

- (C) in all other cases:

Nominal Amount  $\times$  FI Constant Percentage 1.

### ***Description of the Final Payout***

*The Final Payout comprises:*

- *if Knock-in Event is specified as applicable in the applicable Final Terms:*
  - *if the FI Digital Plus Condition is satisfied (irrespective of whether a Knock-in Event has or has not occurred), a fixed percentage plus an indexation (subject to Gearing A) to the Underlying Reference, subject to a floor of the Digital Plus Percentage 1;*
  - *if no Knock-in event has occurred and the FI Digital Plus Condition is not satisfied, a fixed percentage plus the FI Constant Percentage 1; or*
  - *if a Knock-in event has occurred and the FI Digital Cap Condition is not satisfied, a fixed percentage plus the minimum between the Digital Plus Percentage 2 and the indexation (subject to Gearing B) to the Underlying Reference, subject to a floor of the FI Digital Floor Percentage;*
- *if Knock-in Event is specified as not applicable in the applicable Final Terms:*
  - *if the FI Digital Plus Condition is satisfied, a fixed percentage plus an indexation (subject to Gearing A) to the Underlying Reference, subject to a floor of the Digital Plus Percentage 1; or*
  - *if the FI Digital Plus Condition is not satisfied, a fixed percentage plus the minimum between the Digital Plus Percentage 2 and the indexation (subject to Gearing B) to the Underlying Reference, subject to a floor of the FI Digital Floor Percentage;*
- *if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:*
  - *if the FI Digital Plus Condition is satisfied (irrespective of whether a Knock-in Event has or has not occurred), a fixed percentage plus an indexation (subject to Gearing A) to the Underlying Reference, subject to a floor of the Digital Plus Percentage 1;*
  - *if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Plus Condition is not satisfied, a fixed percentage plus the maximum between*

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*the Digital Plus Percentage 2 and the indexation (subject to Gearing B) to the Underlying Reference, subject to a floor of the FI Digital Floor Percentage; or*

- *otherwise, a fixed percentage plus the FI Constant Percentage 1.*

**(qqq) Continuous FX Wedding Cake Notes**

If the Notes are specified in the applicable Final Terms as being Continuous FX Wedding Cake Notes:

- (A) If, at all times on each Observation Date during the Observation Period the Underlying Reference Level remains within Range 1:

$$\text{Nominal Amount} \times \text{FXR}_1$$

- (B) If Range 2 is specified as applicable in the relevant Final Terms and, at all times on each Observation Date during the Observation Period, the Underlying Reference Level has, at least once, moved outside Range 1 but has remained within Range 2:

$$\text{Nominal Amount} \times \text{FXR}_2$$

- (C) If Range n<sup>th</sup> is specified as applicable in the relevant Final Terms and, at all times on each Observation Date during the Observation Period, the Underlying Reference Level has, at least once, moved outside Range 1, Range 2 and any other wider range (other than Range n<sup>th</sup>) specified as applicable in the relevant Final Terms, but has remained within Range n<sup>th</sup>

$$\text{Nominal Amount} \times \text{FXR}_n$$

- (D) If none of the previous conditions has been met:

$$\text{Nominal Amount}$$

where:

"**Range 1**" is as defined in the applicable Final Terms;

"**Range 2**" is as defined in the applicable Final Terms;

"**Range n<sup>th</sup>**" is as defined in the applicable Final Terms;

"**FXR\_1**" means the percentage or the value specified in the applicable Final Terms;

"**FXR\_2**" means the percentage or the value specified in the applicable Final Terms;

"**FXR\_n**" means the percentage or the value specified in the applicable Final Terms.

***Description of the Final Payout***

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*The Final Payout comprises fixed percentages which vary in accordance with the fluctuation of the Underlying Reference Level. In particular, on each Observation Date during the Observation Period, the Underlying Reference Level may remain in or move outside of certain ranges (Range 1, Range 2 and any other wider range (Range n<sup>th</sup>)), thus determining the applicable fixed percentage (respectively, FXR\_1, FXR\_2, FXR\_n). If the Underlying Reference Level has at least once moved outside all the applicable ranges (therefore not satisfying any applicable condition) the Final Payout will be equal to the Nominal Amount.*

### (rrr) **Single FI Inflation Notes**

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

$$\text{Nominal Amount} \times \text{Max} [\text{Constant Percentage 1; Gearing} \times \text{Inflation Rate}]$$

Or

$$\text{Nominal Amount} \times \text{Min} [\text{Constant Percentage 1; Max} [\text{Constant Percentage 2; Gearing} \times \text{Inflation Rate}]]$$

#### ***Description of the Final Payout***

*The Final Payout will be equal to the Nominal Amount multiplied by the greater of the 100% and the Cumulative Inflation Rate.*

### 1.2 ***Additional definitions for Single Final Payout - Capitalised Call and Put Notes , Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and Put Payout Capitalised Call and Put Notes***

If Single Final Payout - Capitalised Call and Put Notes and/or Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and/or Put Payout Capitalised Call and Put Notes are specified as applicable in the applicable Final Terms the definitions set out below will apply.

"**Capitalised Exercise Price**" or "**CEP<sub>t</sub>**" means, in respect of a calendar day (day<sub>t</sub>), an amount calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms, provided that in the case of Italian Listed Notes, CEP<sub>t</sub> for any day from and including the Issue Date to and including the Listing Date shall be equal to the Exercise Prices:

$$\text{CEP}_t = \text{CEP}_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360}$$

Except that:

- (a) with respect to Share Linked Notes, ETI Linked Notes and Index Linked Notes (where dividends on the Index Shares (as defined below) are not reinvested in the relevant Index), and where day<sub>t</sub> is an Ex-Dividend Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$\text{CEP}_t = \text{CEP}_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} - \text{Dividend Adjustment Amount}$$

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- (b) with respect to Rolling Futures Contract Notes, and where  $day_t$  is a Futures Rollover Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} - \text{Futures Rollover Adjustment Amount}$$

- (c) with respect to Index Call Notes (where dividends on the Index Shares (as defined below) are reinvested in the relevant Index), and where  $day_t$  is an Ex-Dividend Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} + \text{Applicable Withholding Tax}$$

for the purposes of this definition:

"**Applicable Withholding Tax**" means an amount calculated by the Calculation Agent equal to the taxes deducted or withheld at source by or on behalf of any applicable authority having the power to tax in respect of the cash dividends and/or other cash distributions payable in respect of the relevant Index Share related to the Ex-Dividend Date pursuant to any applicable double taxation treaty or domestic law prevailing at the time of the distribution;

"**CEP<sub>t-1</sub>**" means the Capitalised Exercise Price applicable on  $day_{t-1}$ , provided that the Capitalised Exercise Price applicable on the Issue Date shall be equal to the Exercise Price;

"**Dividend Adjustment Amount**" means, in respect of an Ex-Dividend Date, an amount determined by the Calculation Agent equal to:

- (a) with respect to Call Note, (i) the sum of the cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share (as defined below)) related to such Ex-Dividend Date less applicable taxes deducted or withheld at source by or on behalf of any applicable authority having power to tax in respect of such dividend pursuant to the applicable double taxation treaty or domestic law prevailing at the time of distribution, multiplied by (ii) the Dividend Percentage; or
- (b) with respect to Put Note, (i) the sum of the gross cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share) related to such Ex-Dividend Date multiplied by (ii) the Dividend Percentage;

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

"**Exercise Price**" means the price specified as such in the applicable Final Terms;



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"**Financing Rate<sub>t-1</sub>**" means, the Financing Rate applicable on day<sub>t-1</sub>;

"**Futures Rollover Adjustment Amount**" means an amount, which may be positive or negative, calculated by the Calculation Agent representing the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in the Current Exchange-traded Contract or the relevant Futures Contract, as the case may be, less the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in the next Current Exchange-traded Contract or Futures Contract, as the case may be, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated *pro rata* amongst the Notes.

The Capitalised Exercise Price will be made available (subject to technical failure) during normal business hours on any Local Business Day during the term of the Notes, on the CEP Website(s) specified in the applicable Final Terms or such other website as may be notified to the Noteholders;

"**Conversion Rate**" means, in respect of a day, the rate of exchange (including any rates of exchange pursuant to which the relevant rate of exchange is derived) between the currency of the relevant Underlying Reference and the Settlement Currency, as specified as such in the applicable Final Terms on such day;

"**Ex-Dividend Date**" means, with respect to a Share, ETI Interest (in respect of which a dividend is paid) or share comprising an Index (an "**Index Share**"), the date on which such Share, ETI Interest or Index Share becomes "ex-dividend" as determined by the Calculation Agent;

"**Final Price**" means the Settlement Price or, in the case of Commodity Linked Notes, the Relevant Price on the Valuation Date;

"**Final Price Early**" means the price of the relevant Underlying Reference, determined by the Calculation Agent:

- (a) if the Notes are Italian Listed Notes as (i) in respect of a Call Note, the lowest Observation Price and (ii) in respect of a Put Note, the highest Observation Price, in each case determined by the Calculation Agent on the Automatic Early Redemption Valuation Date on which the relevant Automatic Early Redemption Event occurred; or
- (b) if the Notes are not Italian Listed Notes, on the basis of the price obtained by unwinding any underlying related hedging arrangements in respect of the relevant Notes during the three-hour period immediately following the occurrence of the relevant Automatic Early Redemption Event, provided that (i) the Final Price Early in respect of a Call Note will be no lower than the lowest Observation Price and (ii) the Final Price Early in respect of a Put Note will be no greater than the highest Observation Price, in each case determined by the Calculation Agent during such three-hour period, or otherwise, during the opening hours of the relevant exchange. With respect to Notes relating to an Index, Share or ETI Interest, the above-mentioned three-hour period shall be counted during the opening hours of the relevant Exchange. Accordingly, if the period between the occurrence of the Automatic

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Early Redemption Event and the official closing time of the relevant Exchange is less than three hours, then the observation period shall extend to the following Relevant Business Day, until a full period of three hours has passed since the occurrence of the Automatic Early Redemption Event. With respect to Currency Notes and Commodity Notes, if a period during a Relevant Business Day is specified in the applicable Final Terms as the Observation Time and the period between the occurrence of the Automatic Early Redemption Event and the end of that period is less than the above mentioned three-hour period, then the observation period shall extend to the following Relevant Business Day beginning at 8:00 am (CET time) until a full period of three hours has passed since the occurrence of the Automatic Early Redemption Event;

**"Financing Rate"** means, if applicable, in respect of a calendar day ( $day_t$ ), the rate calculated as: Financing Rate Percentage + Interbank Rate 1 – Interbank Rate 2;

**"Financing Rate Percentage"** means, in the case of Call Note, the positive rate and, in the case of Put Note, the negative rate, specified in the applicable Final Terms provided that the Calculation Agent may, acting in good faith and in a commercially reasonable manner select an alternative rate which must be within the Financing Rate Range. In the case of Italian Listed Notes, such alternative rate will be notified by the Calculation Agent to Borsa Italiana and published on the website [www.mediobanca.com](http://www.mediobanca.com);

**"Financing Rate Range"** means the range specified as such in the applicable Final Terms;

**"Interbank Rate 1"** means the offered quotation which appears on the Interbank Rate 1 Screen Page at the Interbank Rate 1 Specified Time on  $day_t$  as determined by the Calculation Agent. In the event that the Interbank Rate 1 Screen Page is not available or no such offered quotation appears, the Calculation Agent will determine the Interbank Rate 1 as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and in a commercially reasonable manner;

**"Interbank Rate 1 Screen Page"** means the source specified in the applicable Final Terms;

**"Interbank Rate 1 Specified Time"** means the time specified in the applicable Final Terms or, if no such time is specified, the customary time as of which the relevant Interbank Rate 1 is published;

**"Interbank Rate 2"** means the offered quotation which appears on the Interbank Rate 2 Screen Page at the Interbank Rate 2 Specified Time on  $day_t$  as determined by the Calculation Agent. In the event that the Interbank Rate 2 Screen Page is not available or no such offered quotation appears, the Calculation Agent will determine the Interbank Rate 2 as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and in a commercially reasonable manner;

**"Interbank Rate 2 Screen Page"** means the source specified in the applicable Final Terms;

**"Interbank Rate 2 Specified Time"** means the time specified in the applicable Final Terms or, if no such time is specified, the customary time as of which the relevant Interbank Rate 2 is published;

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**"Local Business Day"** means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Local Business Day Centre(s) specified in the applicable Final Terms;

**"Observation Price"** means the "official level", "opening price", "official close", "closing price", "purchase price", "sale price", "last price", "bid price", "asked price", "traded price", "official settlement price", "daily settlement price" as specified in the applicable Final Terms, of the Underlying Reference published by the Observation Price Source as determined by the Calculation Agent at the Observation Time(s);

**"Observation Price Source"** means the source specified as such in the applicable Final Terms;

**"Observation Time(s)"** means the time(s) or period(s) of observation specified as such in the applicable Final Terms;

**"Parity"** means the number specified as such in the applicable Final Terms;

**"Relevant Business Day"** means, unless otherwise specified in the applicable Final Terms, an Exchange Business Day (in respect of Notes other than Commodity Linked Notes or Currency Linked Notes), a Commodity Business Day (in respect of Commodity Linked Notes) or a Scheduled Trading Day (in respect of Currency Linked Notes), as applicable;

**"Reset Date"** means, unless otherwise specified in the applicable Final Terms, each calendar day in the period from and excluding the Issue Date to and including the Maturity Date;

**"Note Percentage"** means the percentage specified as such in the applicable Final Terms. Other than in the case of Notes which are Italian Listed Notes, the Note Percentage may be adjusted by the Calculation Agent on each Reset Date in order to take into account changes in market conditions (including, in particular, volatility), provided that the adjusted Note Percentage, (a) unless the Note Percentage is equal to zero, falls between the "Minimum Note Percentage" and the "Maximum Note Percentage" specified in the applicable Final Terms and (b) does not trigger the occurrence of an Automatic Early Redemption Event;

**"Note Threshold"** means the amount calculated as follows by the Calculation Agent and rounded upwards or downwards in accordance with the Note Threshold Rounding Rule specified in the applicable Final Terms:

- (a) in the case of Call Notes, an amount equal to the product, rounded in accordance with the Note Threshold Rounding Rule specified in the applicable Final Terms, of (i) the Capitalised Exercise Price as at the relevant Reset Date and (ii) one, plus the Note Percentage; and

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- (b) in the case of Put Notes, an amount equal to the product, rounded in accordance with the Note Threshold Rounding Rule, (i) of the Capitalised Exercise Price as at the relevant Reset Date and (ii) one, minus the Note Percentage.

The Note Threshold calculated pursuant to the foregoing shall, subject as provided below, be published for information purposes only (subject to technical problems) during normal business hours on any Local Business Day during the term of the relevant Notes on the CEP Website(s) specified in the applicable Final Terms or such other website as may be notified to the Noteholders. If the Notes are Italian Listed Notes the Note Threshold on the Issue Date shall be specified in the applicable Final Terms;

The Note Threshold, from time to time, calculated by the Calculation Agent shall prevail over the Note Threshold published on the CEP Website(s), which is published for information purposes only and may subsequently be corrected should the amount published differ from the Note Threshold calculated by the Calculation Agent;

**"Settlement Currency"** means Euro, unless otherwise specified in the applicable Final Terms;

**"Underlying Reference"** means the relevant Index, Share, ETI Interest, Commodity, Alternative Currency, Debt Instrument or other basis of reference to which the relevant Notes relate, as specified in the applicable Final Terms; and

- (a) **"Valuation Date"** means, subject to adjustment in accordance with the relevant Conditions the date specified in the applicable Final Terms as the Single Final Payout - Capitalised Call and Put Notes Final Valuation Date and the provisions of (a)(i), (a)(ii), (a)(iii) or (a)(iv), as applicable, of the definition of "Valuation Date" in Base Condition 3 (*Definitions*) shall apply if any such day is a Disrupted Day and, in the case of Commodity Linked Notes, the provisions of the definition of "Pricing Date" in the Commodity Linked Note Conditions will apply if such day is a Commodity Disrupted Day; or
- (b) if Automatic Early Redemption is specified as being applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the Relevant Automatic Early Redemption Valuation Date,

in each case, subject to adjustment in accordance with the relevant Conditions.

### 1.3 **Structuring Fee Deduction**

If 'Structuring Fee Deduction' is specified to be 'Applicable' in the relevant Final Terms, the Final Redemption Amount shall be equal to:

- (I) (A) the amount calculated by the Calculation Agent in accordance with the Final Payout formulas above multiplied by (B) the Structuring Fee Multiplier, provided that the Final Redemption Amount will never be a negative amount.

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Where:

"**Structuring Fee Multiplier**" means an amount determined by the Calculation Agent in accordance with the following formula:

$$(1 - \text{Structuring Fee} \times t/_{365})$$

"**Structuring Fee**" means the percentage specified as such in the Final Terms;

"**t**" means the number of calendar days falling in the period from (and including) the Issue Date to (and including) the Redemption Valuation Date.

Or

- (II) the amount calculated by the Calculation Agent in accordance with the Final Payout formulas above but with such Final Payout formulas amended by deduction of the Structuring Fee ("– Structuring Fee"), provided that the Final Redemption Amount will never be a negative amount.

Where:

"**Structuring Fee**" means the sum of Daily Structuring Fee calculated on each Scheduled Trading Day starting from the Scheduled Trading Day (included) following the Issue Date to the Redemption Valuation Date (included) expressed as a percentage;

"**Daily Structuring Fee**" is the amount expressed as a percentage calculated on each relevant Scheduled Trading Day according to the following formula:

$$\text{Daily Structuring Fee}_t = \text{Underlying Reference Value}_t \times \text{Margin} \times \text{Day Count Fraction}$$

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

"**Day Count Fraction**" is as defined in the applicable Final Terms.

**2. AUTOMATIC EARLY REDEMPTION PAYOUTS**

**2.1 Automatic Early Redemption Payouts Formulas**

If Automatic Early Redemption is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the following Automatic Early Redemption payouts (each an "**Automatic Early Redemption Payout**") shall apply to the Notes if specified in the applicable Final Terms:

**(a) Automatic Early Redemption Payout Capitalised Call and Put Notes 1**

If Automatic Early Redemption Payout Capitalised Call and Put Notes 1 is specified as applicable in the applicable Final Terms:

- (i) if the Notes are specified in the applicable Final Terms as being Call Notes:

$$\text{Max} \left( 0; \left( \frac{\text{Final Price Early} - \text{Capitalised Exercise Price}}{\text{Parity} \times \text{Conversion Rate Early}} \right) \right);$$

- (ii) if the Notes are specified in the applicable Final Terms as being Put Notes:

$$\text{Max} \left( 0; \left( \frac{\text{Capitalised Exercise Price} - \text{Final Price Early}}{\text{Parity} \times \text{Conversion Rate Early}} \right) \right).$$

The additional definitions relating to the Automatic Early Redemption Payout Capitalised Call and Put Notes 1 are contained in Formulas Condition 1.2 (*Additional definitions for Single Final Payout - Capitalised Call and Put Notes, Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and Put Payout Capitalised Call and Put Notes*).

**(b) Automatic Early Redemption Payout Capitalised Call and Put Notes 2.**

If Automatic Early Redemption Payout Capitalised Call and Put Notes 2 is specified as applicable in the applicable Final Terms, 0 (zero).

**(c) SFP Automatic Early Redemption Payout**

If SFP Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms:

$$\text{Nominal Amount} \times [ \text{Constant AER Percentage} + \text{Premium Percentage} \times i ].$$

Where "**Constant AER Percentage**" has the meaning given the applicable Final Terms

**(d) MFP Automatic Early Redemption Payout**

If MFP Automatic Early Redemption Payout is specified in the applicable Final Terms, the Automatic Early Redemption Payout shall be:

$$\text{NA} \times ( \text{AER Redemption Percentage} + \text{AER Exit Rate} )$$

Or

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$NA \times \{ [ \text{Max} ( \text{AER Redemption Percentage 1} + \text{Gearing} \times \text{Max} ( \text{AER Redemption Percentage 2} - \text{MFP AER Value; Floor Percentage 1} ) ); \text{Floor Percentage 2} ] + \text{Premium Percentage} \times \text{DCF} \}$

"**DCF**" is (i) the number of calendar days between the MFP Valuation Date indicated in the applicable Final Terms (included) and the Automatic Early Redemption Valuation Date on which the Automatic Early Redemption Event occurs (excluded), multiplied by the Day Count Fraction or (ii) as defined in the applicable Final Terms.

provided that if specified in the applicable Final Terms the MFP Automatic Early Redemption Payout will be subject to a cap of the Maximum MFP Automatic Early Redemption Payout and/or a floor of the Minimum MFP Automatic Early Redemption Payout, in each case specified in the applicable Final Terms.

Where:

"**AER up Rate**" means:

(a) if Cap is specified as applicable in the applicable Final Terms:

$\text{Min} ( \text{Max} ( \text{ER Floor Percentage}_{(i)}, \text{ER Gearing}_{(i)} \times ( \text{ER Value}_{(i)} - \text{ER Strike Percentage}_{(i)} ) + \text{ER Spread}_{(i)} ), \text{ER Cap Percentage}_{(i)} ) + \text{ER Constant Percentage}_{(i)}$

or

$\text{Min} ( \text{ER Gearing}_{(i)} \times ( \text{ER Value}_{(i)} - \text{ER Strike Percentage}_{(i)} ) + \text{ER Spread}_{(i)}, \text{ER Cap Percentage}_{(i)} ) + \text{ER Constant Percentage}_{(i)}$

(b) if Cap is specified as not applicable in the applicable Final Terms:

$\text{Max} ( \text{ER Floor Percentage}_{(i)}, \text{ER Gearing}_{(i)} \times ( \text{ER Value}_{(i)} - \text{ER Strike Percentage}_{(i)} ) + \text{ER Spread}_{(i)} ) + \text{ER Constant Percentage}_{(i)}$

or

$\text{ER Gearing}_{(i)} \times ( \text{ER Value}_{(i)} - \text{ER Strike Percentage}_{(i)} ) + \text{ER Spread}_{(i)} + \text{ER Constant Percentage}_{(i)}$

"**AER Calculation Period**" means the period from (and including) the Interest Payment Date, as applicable, immediately preceding the Automatic Early Redemption Date (or if none the Issue Date) to (but excluding) the Automatic Early Redemption Date;

"**AER CSN Rate**" means a percentage calculated as the product of the AER Rate and the applicable AER Day Count Fraction;

"**AER Day Count Fraction**" means the Day Count Fraction specified as such in the applicable Final Terms;

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"**AER Exit Rate**" means, in respect of a MFP ES Valuation Date or MFP ES Valuation Period, any of AER Rate, AER up Rate or AER CSN Rate as specified in the applicable Final Terms;

"**AER Rate(s)**" is as defined in Base Condition 8.5(c);

"**AER Redemption Percentage**" means the percentage specified as such in the applicable Final Terms;

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

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

"**AER Reference Rate**" means the floating rate specified as such in the applicable Final Terms;

"**AER Reference Rate Determination Date(s)**" means the date(s) specified as such in the applicable Final Terms;

"**ER Cap Percentage**" means, in respect of a MFP ER Valuation Date or MFP ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Constant Percentage**" means, in respect of a MFP ER Valuation Date or MFP ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Floor Percentage**" means, in respect of a MFP ER Valuation Date or MFP ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Gearing**" means, in respect of a MFP ER Valuation Date or MFP ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Spread**" means, in respect of a MFP ER Valuation Date or MFP ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Strike Percentage**" means, in respect of a MFP ER Valuation Date or MFP ER Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ER Value**" means, in respect of a MFP ER Valuation Date or MFP ER Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms



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"**MFP ER Valuation Date**" means each Averaging Date, Valuation Date, Pricing Date and/or Settlement Price Date, Underlying Interest Determination Date and/or each day, all specified as such in the applicable Final Terms; and

"**MFP ER Valuation Period**" means each period specified as such in the applicable Final Terms.

(e) **Leveraged Notes Automatic Early Redemption Payout**

If Leveraged Notes Automatic Early Redemption Payout is specified in the applicable Final Terms, the Automatic Early Redemption Payout in relation to each relevant Note shall be:

$$\frac{\text{Net Proceeds}}{\text{Number of Notes issued}}$$

If the Automatic Early Redemption Amount is not an amount in the Redemption Currency if specified in the applicable Final Terms, it will be converted into the Redemption Currency at the Exchange Rate specified in the applicable Final Terms

Unless "Rounding" is specified in the relevant Final Terms as not applicable, the Leveraged Notes Automatic Early Redemption Payout shall be rounded to the nearest sub-unit of the relevant Redemption Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Provided that if specified in the applicable Final Terms the Leveraged Notes Automatic Early Redemption Payout will be subject to a cap of the Maximum Leveraged Notes Automatic Early Redemption Payout and/or a floor of the Minimum Leveraged Notes Automatic Early Redemption Payout, in each case specified in the applicable Final Terms.

Where:

"**Net Proceeds**" means the proceeds which the Issuer has actually received from the sale of all the shares or quotas held by it in the Underlying Reference, net of any costs, expenses or taxes incurred by the Issuer in connection with such sale.

(f) **Target Automatic Early Redemption Payout**

If Target Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms,

$$NA \times (\text{Constant TAER Percentage} + \text{Final Interest Rate});$$

Where "**Constant TAER Percentage**" has the meaning given the applicable Final Terms

(g) **FI Underlying Automatic Early Redemption Payout**

If FI Underlying Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms,

NA

(h) **FI Coupon Automatic Early Redemption Payout**

If FI Coupon Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms,

$NA \times (FI \text{ CAER Percentage} + (\text{Min} (\text{Coupon Cap}, \text{Final Coupon Rate}) \times \text{Final Day Count Fraction}))$ .

Where "**FI CAER Percentage**" has the meaning given the applicable Final Terms.

2.2 **Structuring Fee Deduction**

If "Structuring Fee Deduction" is specified to be applicable in the relevant Final Terms, the Automatic Early Redemption Amount shall be equal to:

- (I) (A) the amount calculated by the Calculation Agent in accordance with the Automatic Early Redemption Payout formulas above multiplied by (B) the Structuring Fee Multiplier. Provided that the Automatic Early Redemption Amount will never be a negative amount.

Where:

"**Structuring Fee Multiplier**" means an amount determined by the Calculation Agent in accordance with the following formula:

$$(1 - \text{Structuring Fee} \times t/_{365})$$

"**Structuring Fee**" means the percentage specified as such in the Final Terms;

"**t**" means the number of calendar days falling in the period from (and including) the Issue Date to (and including) the Automatic Early Redemption Valuation Date.

Or

- (II) the amount calculated by the Calculation Agent in accordance with the Automatic Early Redemption Payout formulas above but with such Automatic Early Redemption Payout formulas amended by deduction of the Structuring Fee ("– Structuring Fee"), provided that the Automatic Early Redemption Amount will never be a negative amount.

Where:

"**Structuring Fee**" means the sum of Daily Structuring Fee calculated on each Scheduled Trading Day starting from the Scheduled Trading Day (included) following the Issue Date to the Automatic Early Redemption Valuation Date (included) expressed as a percentage;

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"**Daily Structuring Fee**" is the amount expressed as a percentage calculated on each relevant Scheduled Trading Day according to the following formula:

$$\text{Daily Structuring Fee}_t = \text{Underlying Reference Value}_t \times \text{Margin} \times \text{Day Count Fraction}$$

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

"**Day Count Fraction**" is as defined in the applicable Final Terms.

3. **NOTEHOLDER PUT OPTION PAYOUTS**

3.1 **Noteholder Put Option Payouts Formulas**

The following Noteholder Put Option Payouts (each a "**Put Payout**") shall apply to the Notes if specified in the applicable Final Terms:

(a) **Put Payout Forex DivReinvested Fees Notes 1**

If Put Payout Forex DivReinvested Fees Notes 1 is specified as applicable in the applicable Final Terms:

NV in respect of the relevant Optional Redemption Valuation Date.

The Calculation Agent will calculate "NV" on each NV Calculation Day in accordance with the following formula:

$$NV_{(t-1)} \times AF_{(t)} \times \frac{UR_{(t)} \times FX_{(t)}}{UR_{(t-1)} \times FX_{(t-1)}}$$

where:

"**ACT<sub>(t,t-1)</sub>**" means, in respect of a NV Calculation Day, the number of calendar days between the ACT Day corresponding with such NV Calculation Day and the immediately preceding ACT Day;

"**ACT Day**" means each NV Calculation Day;

"**AF<sub>(t)</sub>**" means, in respect of a NV Calculation Day:

$$[1 + \text{Reference Rate}_{(t-1)} - \text{Management Fee Rate}] \frac{\text{ACT}_{(t,t-1)}}{360} \times \text{div reinvested factor}_{(t)} \times \text{Rollover Ratio}_{(t)}$$

"**NV<sub>(0)</sub>**" means the amount or percentage specified as such in the applicable Final Terms;

"**NV<sub>(t-1)</sub>**" means, in respect of a NV Calculation Day, NV in respect of the immediately preceding NV Calculation Day or if none, NV<sub>(0)</sub>;

"**NV Calculation Day**" means each Scheduled Trading Day, Commodity Business Day or calendar day as specified in the applicable Final Terms from (but excluding) the Issue Date to (and including) the last day on which any Note of the series is outstanding;

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

"**div reinvested factor<sub>(t)</sub>**" means:

- (i) if the Underlying Reference is a Share or an Index (where in the determination of the Calculation Agent dividends on the constituent share are not reinvested in the Index),

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$$\left[ 1 + Div Percentage \times \frac{Gross\ div(t)}{UR(t-1)} \right] ; \text{ or}$$

(ii) otherwise, 1;

"**Fx<sub>(0)</sub>**" means Exchange Rate Initial;

"**Fx<sub>(t)</sub>**" means, in respect of a NV Calculation Day, the Exchange Rate on such NV Calculation Day;

"**Fx<sub>(t-1)</sub>**" means, in respect of a NV Calculation Day, the Exchange Rate on the immediately preceding NV Calculation Day or if none, Exchange Rate Initial;

"**Futures Rollover Adjustment Ratio**" means, in respect of a NV Calculation Day, a positive amount calculated by the Calculation Agent equal to (i) the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in relation to the preceding Current Exchange-traded Contract divided by (ii) the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in relation to the Current Exchange-traded Contract, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated *pro rata* among the Notes of the series;

"**Gross div<sub>(t)</sub>**" means (i) if the Underlying Reference is a Share, any ordinary cash dividends (before deduction of any taxes or application of withholding at source by or on behalf of any applicable authority having the power to tax in respect of such dividends and without any tax credit refund or deduction granted by any applicable authority having the power to tax in respect of such dividends) ex-dividend at date *t* and effectively paid or (ii) if the Underlying Reference is an Index, any ordinary cash dividends (before deduction of any taxes or application of withholding at source by or on behalf of any applicable authority having the power to tax in respect of such dividends and without any tax credit refund or deduction granted by any applicable authority having the power to tax in respect of such dividends) ex-dividend at date *t* on any constituent share in such Index at date *t*, taking into account the weight of such constituent share at date *t-1* and effectively paid;

"**Management Fee Rate**" means the percentage specified as such in the applicable Final Terms;

"**Reference Rate<sub>(t-1)</sub>**" means, in respect of a NV Calculation Day, (i) if the Notes are Rolling Futures Contract Notes, the interest rate specified in the applicable Final Terms as applicable on the NV Calculation Day immediately preceding such NV Calculation Day or (ii) otherwise, 0;

"**Rollover Ratio<sub>(0)</sub>**" equals 1;

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"**Rollover Ratio<sub>(t)</sub>**" means, in respect of a NV Calculation Day, (i) if the Notes are Rolling Futures Contract Notes and such NV Calculation Day is a Futures Rollover Date, the Futures Rollover Adjustment Ratio or (ii) otherwise, 1;

"**UR<sub>(0)</sub>**" means the Settlement Price of the Underlying Reference on the Strike Date;

"**UR<sub>(t)</sub>**" means, in respect of a NV Calculation Day, the Settlement Price on such NV Calculation Day;

"**UR<sub>(t-1)</sub>**" means, in respect of a NV Calculation Day, the Settlement Price on the NV Calculation Day immediately preceding such NCalculation Day;

"**Optional Redemption Valuation Date**" means the date specified in the applicable Final Terms, provided that if the Notes are Index Linked Notes in respect of which "Futures Price Valuation" is specified as applicable in the applicable Final Terms, if the Settlement Price is not available in respect of a NV Calculation Day (other than as a result of a Non-Commencement or Discontinuance of an Exchange-traded Contract), the Calculation Agent will determine the Settlement Price for such NV Calculation Day acting in good faith and in a commercially reasonable manner by reference to such source(s) as it considers appropriate.

### ***Description of the Put Payout***

*The Put Payout replicates the performance of the Underlying Reference less certain amounts (including, but not limited to, fees (including quanto fees and management fees), dividends paid (if applicable) and roll fees depending on the Underlying Reference).*

#### **(b) Put Payout Capitalised Call and Put Notes**

If Put Payout Capitalised Call and Put Notes is specified as applicable in the applicable Final Terms:

- (i) if the Notes are specified in the applicable Final Terms as being Call Notes:

$$\text{Max} \left( 0; \left( \frac{\text{Final Price} - \text{Capitalised Exercise Price}}{\text{Parity} \times \text{Conversion Rate Early}} \right) \right)$$

- (ii) if the Notes are specified in the applicable Final Terms as being Put Notes:

$$\text{Max} \left( 0; \left( \frac{\text{Capitalised Exercise Price} - \text{Final Price}}{\text{Parity} \times \text{Conversion Rate Early}} \right) \right)$$

The additional definitions relating to the Put Payout Capitalised Call and Put Notes are contained in Formulas Condition 1.2 (*Additional definitions for Single Final Payout - Capitalised Call and Put Notes , Automatic Early Redemption Payout Capitalised Call and Put Notes 1 and Put Payout Capitalised Call and Put Notes*).

(c) **Put Payout Leverage Factor Notes**

If Put Payout Leverage Factor Notes is specified as applicable in the applicable Final Terms, the Put Payout shall be calculated on the same basis as Single Final Payout - Leverage Factor Notes, save that references to "Valuation Date" therein and in the related provisions shall be deemed to be references to "the relevant Optional Redemption Valuation Date".

(d) **MFP Put Payout**

If MFP Put Payout is specified in the applicable Final Terms, the Put Payout will be:

$$NA \times (\text{MFP Put Redemption Percentage} + \text{MFP Put Exit Rate})$$

provided that if specified in the applicable Final Terms the MFP Put Payout will be subject to a cap of the Maximum MFP Put Payout and/or a floor of the Minimum MFP Put Payout, in each case specified in the applicable Final Terms.

Where:

"**MFP Put Up Rate**" means:

(i) if Cap is specified as applicable in the applicable Final Terms:

$$\text{Min} (\text{Max} (\text{MFP Put Floor Percentage}, \text{MFP Put Gearing} \times (\text{MFP Put Value} - \text{MFP Put Strike Percentage}) + \text{MFP Put Spread Percentage}), \text{MFP Put Cap Percentage}) + \text{MFP Put Constant Percentage}$$

Or

$$\text{Min} (\text{MFP Put Gearing} \times (\text{MFP Put Value} - \text{MFP Put Strike Percentage}) + \text{MFP Put Spread Percentage}, \text{MFP Put Cap Percentage}) + \text{MFP Put Constant Percentage}$$

(ii) if Cap is specified as not applicable in the applicable Final Terms:

$$\text{Max} (\text{MFP Put Floor Percentage}, \text{MFP Put Gearing} \times (\text{MFP Put Value} - \text{MFP Put Strike Percentage}) + \text{MFP Put Spread Percentage}) + \text{MFP Put Constant Percentage}$$

Or

$$\text{MFP Put Gearing} \times (\text{MFP Put Value} - \text{MFP Put Strike Percentage}) + \text{MFP Put Constant Percentage}$$

"**MFP Put Calculation Period**" means the period from (and including) the Interest Payment Date, as applicable, immediately preceding the relevant Optional Redemption Date (Put) (or if none the Issue Date) to (but excluding) the relevant Optional Redemption Date (Put);

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

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"**MFP Put Constant Percentage**" means the percentage specified as such in the applicable Final Terms;

"**MFP Put CSN Rate**" means a percentage calculated as the product of the MFP Put Rate and the applicable Day Count Fraction;

"**MFP Put Exit Rate**" means any of MFP Put Rate, MFP Put up Rate or MFP Put CSN Rate as specified in the applicable Final Terms;

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

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

"**MFP Put Rate**" means the rate specified as such or determined in the manner set out in, the applicable Final Terms. If the applicable Final Terms specify that the MFP Put Rate is to be determined by reference to a Screen Rate, the MFP Put Rate shall be calculated pursuant to Base Condition 8.5(d) (*AER Rate Determination*), as applicable, save that references therein to "AER" shall be deemed to be references to "Put";

"**MFP Put Redemption Percentage**" means the percentage specified as such in the applicable Final Terms;

"**MFP Put Reference Rate**" means the floating rate specified as such in the applicable Final Terms;

"**MFP Put Spread Percentage**" means the percentage specified as such in the applicable Final Terms;

"**MFP Put Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

"**MFP Put Value**" means, in respect of a MFP Put Valuation Date or MFP Put Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**MFP Put Valuation Date**" means each Averaging Date, Valuation Date, Pricing Date and/or Settlement Price Date, Underlying Interest Determination Date and/or each day, all specified as such in the applicable Final Terms;



"**MFP Put Valuation Period**" means each period specified as such in the applicable Final Terms.

(e) **MFP Put Normal Performance Payout**

If MFP Put Normal Performance Payout is specified in the applicable Final Terms, the Put Payout will be:

$$NA \times [\text{Max} [ 0\%; \text{MFP Put Constant Percentage} + \text{Participation Factor} \times \text{MFP Put Value}]]$$

"**MFP Put Constant Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Participation Factor**" is as defined in the applicable Final Terms.

"**MFP Put Value**" means, in respect of a MFP Put Valuation Date or MFP Put Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**MFP Put Valuation Date**" means each Averaging Date, Valuation Date, Pricing Date and/or Settlement Price Date, Underlying Interest Determination Date and/or each day, all specified as such in the applicable Final Terms;

"**MFP Put Valuation Period**" means each period specified as such in the applicable Final Terms.

(f) **Leveraged Notes Put Payout**

If the Notes are Fund Linked Notes and Leveraged Notes Put Payout is specified in the applicable Final Terms, the Put Payout will be:

$$\text{Nominal Amount} \times \text{Reference Level} - \text{Fixed Percentage}$$

provided that, if so specified in the applicable Final Terms, in no circumstances the Leveraged Notes Put Payout shall exceed the proceeds received by the Issuer from the unwinding of its exposure to the Underlying Reference.

where

"**Reference Level**" means:

$$\text{Reference Level}_0 \times (1 + \text{Participation Factor} \times (\text{Fund Level}_t - \text{Fund Level}_0)) / \text{Fund Level}_0 - (\text{Participation Factor} - 1) \times \text{Fees}$$

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"**Reference Level**" means the number (expressed as a percentage) specified in the Final Terms;

"**Fixed Percentage**" means the percentage specified as such in the applicable Final Terms,

"**Fund Level**" means the Settlement Price of the relevant Underlying Reference(s) as of the Fixing Date;

"**Fund Level**" means the Settlement Price of the relevant Underlying Reference(s) as of the Optional Redemption Valuation Date;

"**Optional Redemption Valuation Date**" means each date specified as such in the applicable Final Terms or, if such date is not a Fund Business Day the next following Fund Business Day;"

"**Fixing Date**" means the Calculation Date immediately preceding the First Calculation Date;

"**Calculation Date**" means each day which is a Fund Business Day;

"**First Calculation Date**" means the date specified as such in the applicable Final Terms;

"**Fees**" means the cumulative leverage fee, expressed as a percentage and calculated by the Calculation Agent as the aggregate sum of the Fees Accrued during each Fees Accrual Period;

"**Fees Accrued**" means, in respect of a Fee Accrual Period, the fees accrued during such period, expressed as a percentage and calculated by the Calculation Agent as follows:

$(\text{Fee ISDA Rate} + \text{Fee Margin}) \times \text{Day Count Fraction}$

"**Fee ISDA Rate**" means the floating rate determined according to the ISDA Determination under Base Condition 7(d)(i) as indicated in the applicable Final Terms;

"**Fee Margin**" is as defined in the applicable Final Terms;

"**Fee Accrual Period(s)**" means the periods commencing on (and including) the Fee Accrual Commencing Date up to (but excluding) the first Fee Accrual Date and each subsequent period commencing on (and including) a Fee Accrual Date up to (but excluding) the next following Fee Accrual Date, provided that the last Fee Accrual Period shall be deemed to end (but exclude) on the number of Calculation Dates indicated in the applicable Final Terms following the day on which the Issuer has received the Put Option Exercise Notice;

"**Fee Accrual Commencing Date**" is as defined in the applicable Final Terms;

"**Fee Accrual Date(s)**" is as defined in the relevant Final Terms;

"**Participation Factor**" is as defined in the applicable Final Terms;

"**Day Count Fraction**" is as defined in the applicable Final Terms.

3.2 **Structuring Fee Deduction**

If “Structuring Fee Deduction” is specified to be applicable in the relevant Final Terms, the Optional Redemption Amount (Put) shall be equal to:

- (I) (A) the amount calculated by the Calculation Agent in accordance with the Put Payout formulas above multiplied by (B) the Structuring Fee Multiplier. Provided that the Optional Redemption Amount (Put) will never be a negative amount.

Where:

"**Structuring Fee Multiplier**" means an amount determined by the Calculation Agent in accordance with the following formula:

$$(1 - \text{Structuring Fee} \times t/_{365})$$

"**Structuring Fee**" means the percentage specified as such in the Final Terms;

"**t**" means the number of calendar days falling in the period from (and including) the Issue Date to (and including) the relevant Optional Redemption Valuation Date.

Or

- (II) the amount calculated by the Calculation Agent in accordance with the Put Payout formulas above but with such Put Payout formulas amended by deduction of the Structuring Fee (“- Structuring Fee”), provided that the Optional Redemption Amount (Put) will never be a negative amount.

Where:

"**Structuring Fee**" means the sum of Daily Structuring Fee calculated on each Scheduled Trading Day starting from the Scheduled Trading Day (included) following the Issue Date to the relevant Optional Redemption Valuation Date (included) expressed as a percentage;

"**Daily Structuring Fee**" is the amount expressed as a percentage calculated on each relevant Scheduled Trading Day according to the following formula:

$$\text{Daily Structuring Fee}_t = \text{Underlying Reference Value}_t \times \text{Margin} \times \text{Day Count Fraction}$$

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

"**Day Count Fraction**" is as defined in the applicable Final Terms.

**4. ISSUER CALL OPTION PAYOUTS**

**4.1 Issuer Call Option Payouts Formulas**

The following Issuer Call Option Payout (a "**Call Payout**") shall apply to the Notes if specified in the applicable Final Terms and, if a Call Option Condition is indicated as applicable in the relevant Final Terms, subject to the occurrence of a Call Option Event:

(a) **Call Payout Forex DivReinvested Fees Notes 1**

If Call Payout Forex DivReinvested Fees Notes 1 is specified as applicable in the applicable Final Terms, the Call Payout shall be calculated on the same basis as Put Payout Forex DivReinvested Fees Notes 1, save that references to Put Payout Forex DivReinvested Fees Notes 1 shall be deemed to be references to Call Payout Forex DivReinvested Fees Notes 1.

(b) **Call Payout Capitalised Call and Put Notes**

If Call Payout Capitalised Call and Put Notes is specified as applicable in the applicable Final Terms, the Call Payout shall be calculated on the same basis as Put Payout Capitalised Call and Put Notes, save that references to Put Payout Capitalised Call and Put Notes shall be deemed to be references to Call Payout Capitalised Call and Put Notes.

(c) **Call Payout Leverage Factor Notes**

If Call Payout Leverage Factor Notes is specified as applicable in the applicable Final Terms, the Call Payout shall be calculated on the same basis as Single Final Payout - Leverage Factor Notes, save that references to "Valuation Date" therein and in the related provisions shall be deemed to be references to "the relevant Optional Redemption Valuation Date" or "the relevant Optional Condition Redemption Valuation Date (Call) as indicated in the applicable Final Terms"

(d) **MFP Call Payout**

If MFP Call Payout is specified in the applicable Final Terms, the Call Payout will be:

$NA \times (\text{MFP Call Redemption Percentage} + \text{MFP Call Exit Rate}),$

provided that if specified in the applicable Final Terms the MFP Call Payout will be subject to a cap of the Maximum MFP Call Payout and/or a floor of the Minimum MFP Call Payout, in each case specified in the applicable Final Terms.

Where:

"**Maximum MFP Call Payout**" means the amount specified as such in the applicable Final Terms;

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"**MFP Call Up Rate**" means:

(i) if Cap is specified as applicable in the applicable Final Terms:

Min (Max (MFP Call Floor Percentage, MFP Call Gearing  $\times$  (MFP Call Value – MFP Call Strike Percentage) + MFP Call Spread Percentage), MFP Call Cap Percentage) + MFP Call Constant Percentage;

or

Min (MFP Call Gearing  $\times$  (MFP Call Value – MFP Call Strike Percentage) + MFP Call Spread Percentage, MFP Call Cap Percentage) + MFP Call Constant Percentage

(ii) if Cap is specified as not applicable in the applicable Final Terms:

Max (MFP Call Floor Percentage, MFP Call Gearing  $\times$  (MFP Call Value – MFP Call Strike Percentage) + MFP Call Spread Percentage) + MFP Call Constant Percentage;

or

MFP Call Gearing  $\times$  (MFP Call Value – MFP Call Strike Percentage) + MFP Call Constant Percentage

"**MFP Call Calculation Period**" means the period from (and including) the Interest Payment Date, as applicable, immediately preceding the Optional Redemption Date (Call) or Optional Condition Redemption Date (Call) (or if none the Issue Date) to (but excluding) the Optional Redemption Date (Call) or Optional Condition Redemption Date (Call), as indicated in the relevant Final Terms;

"**MFP Call CSN Rate**" means a percentage calculated as the product of the MFP Call Rate and the applicable Day Count Fraction;

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

"**MFP Call Constant Percentage**" means the percentage specified as such in the applicable Final Terms;

"**MFP Call Exit Rate**" means any of MFP Call Rate, MFP Call up Rate or MFP Call CSN Rate as specified in the applicable Final Terms;

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

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

"**MFP Call Rate**" means the rate specified as such or determined in the manner set out in, the applicable Final Terms. If the applicable Final Terms specify that the MFP Call Rate is to be

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determined by reference to a Screen Rate, the MFP Call Rate shall be calculated pursuant to Base Condition 8.5(d) (*AER Rate Determination*), as applicable, save that references therein to "AER" shall be deemed to be references to "Call";

"**MFP Call Redemption Percentage**" means the percentage specified as such in the applicable Final Terms;

"**MFP Call Reference Rate**" means the floating rate specified as such in the applicable Final Terms;

"**MFP Call Spread Percentage**" means the percentage specified as such in the applicable Final Terms;

"**MFP Call Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

"**MFP Call Value**" means, in respect of a MFP Call Valuation Date or MFP Call Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**MFP Call Valuation Date**" means each Averaging Date, Valuation Date, Pricing Date, Underlying Interest Determination Date, Settlement Price Date and/or each day, all specified as such in the applicable Final Terms;

"**MFP Call Valuation Period**" means each period specified as such in the applicable Final Terms;

"**Minimum MFP Call Payout**" means the amount specified as such in the applicable Final Terms.

(e) **Leveraged Notes Call Payout**

If the Notes are Fund Linked Notes and Leveraged Notes Call Payout is specified in the applicable Final Terms and, in case Call Option Condition is specified in the relevant Final Terms as being applicable, if the Call Option Condition(s) has occurred, the Call Payout will be:

Nominal Amount  $\times$  Reference Level - Fixed Percentage

provided that, if so specified in the applicable Final Terms, in no circumstances the Leveraged

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Notes Call Payout shall exceed the proceeds received by the Issuer from the unwinding of its exposure to the Underlying Reference.

where

**"Reference Level"** means:

$\text{Reference Level}_0 \times (1 + \text{Participation Factor} \times (\text{Fund Level}_t - \text{Fund Level}_0) / \text{Fund Level}_0 - (\text{Participation Factor} - 1) \times \text{Fees}_t)$

**"Optional Condition Redemption Valuation Date (Call)"** means each date specified as such in the applicable Final Terms or, if such date is not a Fund Business Day the next following Fund Business Day;"

**"Optional Redemption Valuation Date"** means each date specified as such in the applicable Final Terms or, if such date is not a Fund Business Day the next following Fund Business Day;

**"Calculation Date"** means each day which is a Fund Business Day;

**"Day Count Fraction"** is as defined in the applicable Final Terms;

**"First Calculation Date"** means the date specified as such in the applicable Final Terms;

**"Fees<sub>t</sub>"** means the cumulative leverage fee, expressed as a percentage and calculated by the Calculation Agent as the aggregate sum of the Fees Accrued during each Fees Accrual Period;

**"Fees Accrued"** means, in respect of a Fee Accrual Period, the fees accrued during such period, expressed as a percentage and calculated by the Calculation Agent as follows:

$(\text{Fee ISDA Rate} + \text{Fee Margin}) \times \text{Day Count Fraction}$

**"Fee ISDA Rate"** means the floating rate determined according to the ISDA Determination under Base Condition 7(d)(i) as indicated in the applicable Final Terms;

**"Fee Margin"** is as defined in the applicable Final Terms;

**"Fee Accrual Period(s)"** means the periods commencing on (and including) the Fee Accrual Commencing Date up to (but excluding) the first Fee Accrual Date and each subsequent period commencing on (and including) a Fee Accrual Date up to (but excluding) the next following Fee Accrual Date, provided that the last Fee Accrual Period shall be deemed to end (but excluding) on the number of Calculation Dates indicated in the applicable Final Terms, preceding the Optional Redemption Date(s) (Call) or Optional Condition Redemption Date (Call) as specified in the applicable Final Terms;

**"Fee Accrual Commencing Date"** is as defined in the applicable Final Terms;

"**Fee Accrual Date(s)**" is as defined in the relevant Final Terms;

"**Fixing Date**" means the Calculation Date immediately preceding the First Calculation Date;

"**Fund Level<sub>0</sub>**" means the Settlement Price of the relevant Underlying Reference(s) as of the Fixing Date;

"**Fund Level<sub>t</sub>**" means the Settlement Price of the relevant Underlying Reference(s) as of the Optional Redemption Valuation Date or the Optional Condition Redemption Valuation Date (Call) as specified in the relevant Final Terms;

"**Participation Factor**" is as defined in the applicable Final Terms;

"**Reference Level<sub>0</sub>**" means the number (expressed as a percentage) specified in the Final Terms.

#### 4.2 Structuring Fee Deduction

If 'Structuring Fee Deduction' is specified to be 'Applicable' in the relevant Final Terms, the Optional Redemption Amount (Call) or the Optional Condition Redemption Amount (Call) shall be equal to:

- (I) (A) the amount calculated by the Calculation Agent in accordance with the Call Payout formulas above multiplied by (B) the Structuring Fee Multiplier. Provided that the Optional Redemption Amount (Call) and the Optional Condition Cash Settlement Amount (Call) will never be a negative amount.

Where:

"**Structuring Fee Multiplier**" means an amount determined by the Calculation Agent in accordance with the following formula:

$$(1 - \text{Structuring Fee} \times t/_{365})$$

"**Structuring Fee**" means the percentage specified as such in the Final Terms;

"**t**" means the number of calendar days falling in the period from (and including) the Issue Date to (and including) the relevant Optional Redemption Valuation Date or the relevant Optional Condition Redemption Valuation Date (Call).

Or

- (II) the amount calculated by the Calculation Agent in accordance with the Call Payout formulas above but with such Call Payout formulas amended by deduction of the Structuring Fee ("Structuring Fee"), provided that the Optional Redemption Amount (Call) and the Optional Condition Redemption Amount (Call) will never be a negative amount.

Where:



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**“Structuring Fee”** means the sum of Daily Structuring Fee calculated on each Scheduled Trading Day starting from the Scheduled Trading Day (included) following the Issue Date to the relevant Optional Redemption Valuation Date (included) or the relevant Optional Condition Redemption Valuation Date (Call) (included) expressed as a percentage;

**"Daily Structuring Fee"** is the amount expressed as a percentage calculated on each relevant Scheduled Trading Day according to the following formula:

$$\text{Daily Structuring Fee}_t = \text{Underlying Reference Value}_t \times \text{Margin} \times \text{Day Count Fraction}$$

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

**"Day Count Fraction"** is as defined in the applicable Final Terms.

**5. INTEREST RATES**

**5.1 Interest Rates Formulas**

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

(a) **MFP Fixed Coupon**

If MFP Fixed Coupon is specified as applicable in the applicable Final Terms:

Rate<sub>(i)</sub>.

*Description of the Interest Rate*

*A MFP Fixed Coupon provides that the Notes pay interest amount at a specified rate for the relevant period.*

(b) **MFP Floating Coupon**

If MFP Floating Coupon is specified as applicable in the applicable Final Terms:

Rate<sub>(i)</sub>.

*Description of the Interest Rate*

*A MFP Floating Coupon provides that the Notes pay interest amount at a specified floating or variable rate for the relevant period.*

(c) **MFP Mixed Coupon**

If MFP Mixed Coupon is specified as applicable in the applicable Final Terms:

Spread<sub>(i)</sub> + Rate<sub>(i)</sub>.

*Description of the Interest Rate*

*A MFP Mixed Coupon provides that the Notes pay interest amount at a specified floating or variable rate and spread for the relevant period.*

(d) **MFP Digital Coupon**

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

(i) if the Digital Coupon Condition is satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Rate 1<sub>(i)</sub>; or

(ii) if the Digital Coupon Condition is not satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Rate 2<sub>(i)</sub>;

***Description of the Interest Rate***

*A MFP Digital Coupon provides that the Notes pay interest amount at a specified rate for the relevant period if a specified condition is met. If the condition is not met then the Notes will pay a different interest amount for that period.*

(e) **MFP Additional Digital Coupon**

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

- (i) if the Additional Digital Coupon Condition is satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Additional Coupon 1<sub>(i)</sub>; or

- (ii) if the Additional Digital Coupon Condition is not satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Additional Coupon 2<sub>(i)</sub>;

***Description of the Interest Rate***

*A MFP Additional Digital Coupon provides that the Notes pay interest amount at a specified Additional Coupon for the relevant period if a specified condition is met. If the condition is not met then the Notes will pay a different Additional Coupon for that period. Additional Coupon 1 and Additional Coupon 2 could be any of the Interest Rates.*

(f) **MFP Double Digital Coupon**

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

- (i) If the Double Digital Coupon Condition 1 is satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Additional Coupon 1<sub>(i)</sub>; or

- (ii) if the Double Digital Coupon Condition 1 is not satisfied and the Double Digital Coupon Condition 2 is satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Additional Coupon 2<sub>(i)</sub>;

- (iii) if the Double Digital Coupon Condition 1 is not satisfied and the Double Digital Coupon Condition 2 is not satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Additional Coupon 3<sub>(i)</sub>;

***Description of the Interest Rate***

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*A MFP Double Digital Coupon provides that the Notes pay interest amount at a specified Additional Coupon for the relevant period if a specified condition is met. If the condition is not met then the Notes will pay a different Additional Coupon for that period. Additional Coupon 1 and Additional Coupon 2 and Additional Coupon 3 could be any of the Interest Rates.*

(g) **MFP Corridor Digital Coupon**

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

- (i) If the Corridor Digital Coupon Condition 1 and Corridor Digital Coupon Condition 2 is satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Rate 1<sub>(i)</sub>; or

- (ii) if the Corridor Digital Coupon Condition 1 or Corridor Digital Coupon Condition 2 is not satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Rate 2<sub>(i)</sub>

where:

**"Corridor Digital Coupon Condition 1"** means that the DC Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Barrier Level; or (e) "within" the Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Barrier Range Level, in each case as specified in the applicable Final Terms

**"Corridor Digital Coupon Condition 2"** means that the DC Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Barrier Level; or (e) "within" the Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Barrier Range Level, in each case as specified in the applicable Final Terms.

### ***Description of the Interest Rate***

*A MFP Corridor Digital Coupon provides that the Notes pay interest amount at a specified rate for the relevant period if two specified conditions are met. If any of the conditions is not met, then the Notes will pay different interest amount for that period.*

(h) **MFP Memory Snowball Digital Coupon**

If MFP Memory Snowball Digital Coupon is specified as applicable in the applicable Final Terms:

**ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS**

- (i) if the MFP Memory Snowball Digital Coupon Condition is satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

$\text{Rate } 1_{(i)} + \text{SumRate}_{(i)}$

Where "Sum Rate<sub>(i)</sub>" means:

- (a) the sum of Rate 1<sub>(i)</sub> for each MFP Coupon Valuation Date or MFP Coupon Valuation Period, as applicable, in the period from (but excluding) the last occurring MFP Memory Snowball Date (or if none the Issue Date) to (but excluding) the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period; or
- (b) the sum of Rate 1<sub>(i)</sub> for the last N MFP Coupon Valuation Date or MFP Coupon Valuation Period, as applicable, in the period from (but excluding) the last occurring MFP Memory Snowball Date (or if none the Issue Date) to (but excluding) the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period; or
- (c) the sum of Rate 1<sub>(i)</sub> for each MFP Coupon Valuation Date or MFP Coupon Valuation Period, as applicable, in the period from (but excluding) the last occurring MFP Memory Snowball Date (or if none the Issue Date) to (but excluding) the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period less the sum of Rate 2<sub>(i)</sub> for each MFP Coupon Valuation Date or MFP Coupon Valuation Period, as applicable, in the period from (but excluding) the last occurring MFP Memory Snowball Date (or if none the Issue Date) to (but excluding) the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period; or
- (d) the sum of Rate 1<sub>(i)</sub> for last N MFP Coupon Valuation Date or MFP Coupon Valuation Period, as applicable, in the period from (but excluding) the last occurring MFP Memory Snowball Date (or if none the Issue Date) to (but excluding) the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period less the sum of Rate 2<sub>(i)</sub> for the last N MFP Coupon Valuation Date or MFP Coupon Valuation Period, as applicable, in the period from (but excluding) the last occurring MFP Memory Snowball Date (or if none the Issue Date) to (but excluding) the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period,

or

- (ii) if the MFP Memory Snowball Digital Coupon Condition is not satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Rate 2<sub>(i)</sub>

***Description of the Interest Rate***

*A MFP Memory Snowball Digital Coupon provides that the Notes pay interest amount on the basis of a Digital Coupon Condition but with a memory effect. Any or some interest amount not paid in respect of a period may be paid at a later date if certain conditions are met. This interest may exclude any payments made when the Digital Coupon Condition is not met.*

(i) **MFP Range Accrual Coupon**

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

$$\text{Rate } 1_{(i)} \times (n/N) + \text{Rate } 2_{(i)} \times (1 - n/N)$$

where:

"n" is the number of MFP Range Accrual Days in the relevant MFP Coupon Valuation Period<sub>(i)</sub> on which the MFP Range Accrual Coupon Condition is satisfied; and

"N" is the number of MFP Range Accrual Days in the relevant MFP Coupon Valuation Period<sub>(i)</sub>.

***Description of the Interest Rate***

*A MFP Range Accrual Coupon provides that the Notes pay interest amount on the basis of a rate calculated by reference to the number of days on which a specified condition is satisfied in the relevant period a different interest is paid when a specified condition is not satisfied.*

(j) **MFP – Digital Mixed Coupon**

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

- (i) If the MFP Digital Mixed Coupon Condition is satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

$$\text{Mixed Coupon Constant } 1_{(i)} + \text{Mixed Coupon Gearing } 1_{(i)} \times \text{Additional Coupon } 1_{(i)}; \text{ or}$$

- (ii) if the MFP Digital Mixed Coupon Condition is not satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

$$\text{Mixed Coupon Constant } 2_{(i)} + \text{Mixed Coupon Gearing } 2_{(i)} \times \text{Additional Coupon } 2_{(i)}$$

where:

"Mixed Coupon Constant 1<sub>(i)</sub>" is as defined in the relevant Final Terms;

"Mixed Coupon Constant 2<sub>(i)</sub>" is as defined in the relevant Final Terms;

"**Mixed Coupon Gearing 1<sub>(i)</sub>**" is as defined in the relevant Final Terms;

"**Mixed Coupon Gearing 2<sub>(i)</sub>**" is as defined in the relevant Final Terms.

*Description of the Interest Rate*

*A MFP Digital Mixed Coupon provides that the Notes pay an interest amount linked to an Additional Coupon 1 (subject to gearing) for the relevant period if a specified condition is met. If the condition is not met then the Notes will pay a different interest amount linked to an Additional Coupon 2 (subject to gearing) for that period. Additional Coupon 1 and Additional Coupon 2 could be any of the Interest Rates.*

(k) **MFP – Double Digital Mixed Coupon**

If MFP Double Digital Mixed Coupon is specified as applicable in the applicable Final Terms:

- (i) If the MFP Double Digital Mixed Coupon Condition 1 is satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Mixed Coupon Constant 1<sub>(i)</sub> + Mixed Coupon Gearing 1<sub>(i)</sub> × Additional Coupon 1<sub>(i)</sub>; or

- (ii) if the MFP Double Digital Mixed Coupon Condition 1 is not satisfied and MFP Double Digital Mixed Coupon Condition 2 is satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Mixed Coupon Constant 2<sub>(i)</sub> + Mixed Coupon Gearing 2<sub>(i)</sub> × Additional Coupon 2<sub>(i)</sub>

- (iii) if the MFP Double Digital Mixed Coupon Condition 1 and MFP Double Digital Mixed Coupon Condition 2 is not satisfied in respect of MFP Coupon Valuation Date<sub>(i)</sub> or MFP Coupon Valuation Period<sub>(i)</sub>, as applicable:

Mixed Coupon Constant 3<sub>(i)</sub> + Mixed Coupon Gearing 3<sub>(i)</sub> × Additional Coupon 3<sub>(i)</sub>

where:

"**Mixed Coupon Constant 1<sub>(i)</sub>**" is as defined in the relevant Final Terms;

"**Mixed Coupon Constant 2<sub>(i)</sub>**" is as defined in the relevant Final Terms;

"**Mixed Coupon Constant 3<sub>(i)</sub>**" is as defined in the relevant Final Terms;

"**Mixed Coupon Gearing 1<sub>(i)</sub>**" is as defined in the relevant Final Terms;

"**Mixed Coupon Gearing 2<sub>(i)</sub>**" is as defined in the relevant Final Terms;

"**Mixed Coupon Gearing 3<sub>(i)</sub>**" is as defined in the relevant Final Terms;

*Description of the Interest Rate*

## ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

*A MFP Double Digital Mixed Coupon provides that the Notes pay an interest amount linked to an Additional Coupon 1 (subject to gearing) for the relevant period if a specified condition is met. If the condition is not met then the Notes will pay a different interest amount linked to an Additional Coupon 2 or Additional Coupon 3 (subject to gearing) for that period. Additional Coupon 1, Additional Coupon 2 and Additional Coupon 3 could be any of the Interest Rates.*

### (l) **MFP Ratchet Coupon**

If MFP Ratchet Coupon is specified as applicable in the applicable Final Terms:

- (i) if Local Cap Percentage is specified as not applicable in the applicable Final Terms:

$\text{Max} [ \text{Sum} ( q = 1, 2, \dots, Q_{(i)} ) \text{Max} ( \text{Coupon Value}_{(q)} - \text{Strike Percentage}_{(i)} , \text{Local Floor Percentage}_{(i)} ) , \text{Global Floor Percentage}_{(i)} ]$

- (ii) if Local Cap Percentage is specified as applicable in the applicable Final Terms:

$\text{Max} [ \text{Sum} ( q = 1, 2, \dots, Q_{(i)} ) \text{Max} ( \text{Min} ( \text{Coupon Value}_{(q)} - \text{Strike Percentage}_{(i)} , \text{Local Cap Percentage}_{(i)} ) , \text{Local Floor Percentage}_{(i)} ) , \text{Global Floor Percentage}_{(i)} ]$

#### ***Description of the Interest Rate***

*A MFP Ratchet Coupon provides that the Notes pay interest amount in respect of the relevant period on the basis of a rate calculated by reference to the sum of two or more rates, in each case subject to a floor and if applicable a cap.*

### (m) **MFP Best Entry Coupon**

If MFP Best Entry Coupon is specified as applicable in the applicable Final Terms:

Rate 1 x Average Cash Exposure Day Count Fraction

Where:

“**Rate 1**” means the fixed rate specified in the applicable Final Terms;

“**Average Cash Exposure Day Count Fraction**” means the arithmetic mean of the Daily Cash Exposure(s) for all the Daily Valuation Dates falling within the relevant Digital Coupon Calculation Period<sub>(i)</sub>;

“**Digital Coupon Calculation Period<sub>(i)</sub>**” means the period(s) specified in the relevant Final Terms;

“**Daily Cash Exposure(s)**” means, for each Daily Valuation Date from (but excluding) the Strike Date, or the last Strike Day of the Strike Period or the different date indicated in the applicable Final Terms, to (and including) the Redemption Valuation Date, as indicated in the applicable Final Terms, the value calculated according to the formula below:

$$1 - \sum_n^N \text{Weight}(n) \times \text{Lock-In Accrual}(n)$$



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"n" is as defined in the applicable Final Terms;

"N" is as defined in the applicable Final Terms;

“**Weight(n)**” is as defined in the applicable Final Terms;

“**Lock-In Accrual(n)**” is equal to 0 or to 1 depending on the following:

- if Lock-in Event(n) has occurred, Lock-in Accrual(n) is equal to 1 for all the following Daily Valuation Dates, excluding, if specified in the applicable Final Terms, the relevant date on which the Lock-in Event(n) has occurred;
- otherwise, it is equal to 0;

“**Lock-in Event(n)**” is deemed to have occurred if on any Lock-in Event Date, for the first time, the Closing Level of the Underlying Reference is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Lock-in Barrier(n);

“**Lock-in Event Date**” means the Daily Valuation Date(s), or the Weekly Valuation Date(s), or the different date(s) indicated as such in the applicable Final Terms, all as indicated in the relevant Final Terms;

“**Daily Valuation Date(s)**” means each Scheduled Trading Day that is not a Disrupted Day from (but excluding) the Strike Date, or the last Strike Day of the Strike Period or the different date indicated in the applicable Final Terms, to (and including) the Redemption Valuation Date, as indicated in the applicable Final Terms;

“**Weekly Valuation Date(s)**” means each Scheduled Trading Day that is not a Disrupted Day from (but excluding) the Strike Date, or the last Strike Day of the Strike Period or the different date indicated in the applicable Final Terms, to (and including) the Redemption Valuation Date which occurs on a weekday specified in the relevant Final Terms, all as specified in the applicable Final Terms. If such weekday is not a Scheduled Trading Day or is a Disrupted Day, the immediately succeeding Scheduled Trading Day which is not a Disrupted Day;

“**Lock-in Barrier(n)**” means the value(s) indicated in the applicable Final Terms.

### *Description of the Interest Rate*

*MFP Best Entry Coupon is paid periodically according to the numbers of days the product has a cash exposure and to the average amount of cash outstanding over the period.*

#### (n) **Weighted Mixed Coupon**

If Weighted Mixed Coupon is specified in the applicable Final Terms:

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$\text{Sum ( a = 1, 2, \dots, A ) } CW_{(a)(i)} \times \text{Prod ( b = 1, 2, \dots, B ) Additional Coupon}_{(a,b)(i)}$

where:

"CW" is the relevant Coupon Weighting;

"A" is the number specified as such in the applicable Final Terms;

"a" is as defined in the applicable Final Terms;

"B" is the number specified as such in the applicable Final Terms

"b" is as defined in the applicable Final Terms.

***Description of the Interest Rate***

*A Weighted Mixed Coupon provides that the Notes pay interest amount in respect of the relevant period on the basis of a rate calculated as the weighted sum of two or more Interest Rates provided in the Conditions and specified in the applicable Final Terms.*

(o) **Max Mixed Coupon**

If Max Mixed Coupon is specified as applicable in the applicable Final Terms:

$\text{Max ( a = 1, 2, \dots, A ) [ Additional Coupon}_{(i)} ]_{(a)}$

Or

$\text{Min ( a = 1, 2, \dots, A ) [ Max ( a = 1, 2, \dots, A ) Additional Coupon}_{(i,a)} ; \text{Local Cap Percentage}_{(i,a)} ]$

where:

"A" is the number specified as such in the applicable Final Terms,

"a" is as defined in the applicable Final Terms;

"Local Cap Percentage" is the number specified as such in the applicable Final Terms,

***Description of the Interest Rate***

*A Max Mixed Coupon provides that the Notes pay interest amount in respect of the relevant period on the basis of a rate calculated as the maximum of two or more Interest Rate provided in the Conditions and specified in the applicable Final Terms.*

(p) **Single FX Vanilla Coupon**

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

$\text{Min (Global Cap A, Max (Global Floor A, Gearing A } \times \text{FX Coupon Performance))}$

***Description of the Interest Rate***

**ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS**

*A Single FX Vanilla Coupon provides that the Notes pay interest amount on the basis of the FX Coupon Performance, subject to a gearing, a cap and a floor.*

**(q) Single FI Digital Coupon**

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

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

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

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

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

***Description of the Interest Rate***

*A Single FI Digital Coupon provides that the Notes pay interest amount linked to an FI Rate A for the relevant period if a specified condition is met. If the condition is not met, then the Notes will pay a different interest amount linked to a FI Rate B for that period. In each case the interest is subject to a floor and a cap.*

**(r) Single FX Digital Coupon**

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

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

$$\text{Min} (\text{Global Cap A, Max} (\text{Global Floor A, Gearing A} \times \text{FX Coupon Performance}))$$

; or

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

$$\text{Min} (\text{Global Cap B, Max} (\text{Global Floor B, Gearing B} \times \text{FX Coupon Performance}))$$

***Description of the Interest Rate***

*A Single FX Digital Coupon provides that the Notes pay interest amount linked to the FX Coupon Percentage for the relevant period if a specified condition is met, subject to a floor, a cap and a gearing. If the condition is not met, then the Notes will pay a different interest amount*

linked to the FX Coupon Percentage for that period, subject to a floor, a cap and a gearing which may be different from the above.

(s) **Range Accrual Coupon**

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

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

where:

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

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

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

**Description of the Interest Rate**

A Range Accrual Coupon provides that the Notes pay interest amount on the basis of the sum of two or more rates calculated by reference to the number of days on which a specified condition is satisfied in the relevant period. The interest is subject to a cap, a floor and a gearing.

(t) **Single FX Range Accrual Coupon**

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

$$\text{Min} (\text{GlobalCap}, \text{Max} (\text{Global Floor}, \text{FI Rate} \times \frac{n}{N}))$$

where:

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

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

If Deemed Range Accrual is specified as applicable in the applicable Final Terms, the FI DC Barrier Value or FX Coupon Performance, as applicable, for each Range Accrual Day in the

period from (and including) the Range Cut-off Date to (and including) the Range Period End Date will be deemed to be the FI DC Barrier Value or FX Coupon Performance, as applicable, on the Range Cut-off Date.

***Description of the Interest Rate***

A Single FX Range Accrual Coupon provides that the Notes pay interest amount on the basis of a rate calculated by reference to the number of days on which a specified condition is satisfied in the relevant period. The interest is subject to a cap and a floor.

(u) **Single FX Memory Coupon**

If Single FX Memory Coupon is specified as applicable in the applicable Final Terms:

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

FI Rate A – Paid FX Memory Coupons; or

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

FI Rate B

where:

**"Current FX Memory Coupon Interest Period"** means, in respect of a FI Interest Valuation Date, the Interest Period ending on or immediately prior to such FI Interest Valuation Date.

**"Paid FX Memory Coupons"** means, in respect of a FI Interest Valuation Date, the sum of the values calculated for each Interest Period as the product of (i) the Interest Rate and (ii) the Day Count Fraction, in each case calculated for each Interest Period preceding the Current FX Memory Coupon Interest Period.

***Description of the Interest Rate***

*A Single FX Memory Coupon provides that the Notes pay interest amount on the basis of a FI Digital Coupon Condition but with a memory effect. This interest excludes any payments made when the FI Digital Coupon Condition is not met.*

(v) **Multiple Combination Floater Coupon**

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

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

***Description of the Interest Rate***

*A Multiple Combination Floater Coupon provides that the Notes pay interest amount on the basis of a fixed margin and the sum of two or more rates (subject to gearing). The interest is subject to a cap and a floor.*

**(w) PRDC Coupon**

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

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

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

(B) if a Knock-in Event has occurred:

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

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

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

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

(A) if a Knock-in Event has occurred but a Knock-out Event has not occurred:

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

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

where:

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

***Description of the Interest Rate***

*A PRDC Coupon provides that the Notes pay interest amount equal to:*

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- *if Knock-in Event is specified as applicable in the applicable Final Terms:*
  - *if no Knock-in event has occurred, zero;*
  - *if a Knock-in event has occurred, an indexation to the value of the Underlying Reference(s) subject to a minimum and a maximum; or*
- *if Knock-in Event is not specified as applicable in the applicable Final Terms an indexation to the value of the Underlying Reference(s) subject to a minimum and a maximum; or*
- *if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:*
  - *if a Knock-in Event has occurred but a Knock-out Event has not occurred, an indexation to the value of the Underlying Reference(s) subject to a minimum and a maximum;*
  - *if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, zero.*

### (x) **Single FI Digital Floor Coupon**

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

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

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

Digital Floor Percentage 2; or

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

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

- (B) if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:

Digital Floor Percentage 1; or

- (C) in all other cases:

Digital Floor Percentage 2.

### *Description of the Interest Rate*

*A Single FI Digital Floor Coupon provides that the Notes pay interest amount equal to:*

- *if Knock-in Event is specified as applicable in the applicable Final Terms:*
  - *if no Knock-in event has occurred, zero;*
  - *if a Knock-in event has occurred and the FI Digital Floor Condition is satisfied, the Digital Floor Percentage 1; or*
  - *if a Knock-in event has occurred and the FI Digital Floor Condition is not satisfied, the Digital Floor Percentage 2;*
- *if Knock-in Event is not specified as applicable in the applicable:*
  - *if the FI Digital Floor Condition is satisfied, the Digital Floor Percentage 1; or*
  - *if the FI Digital Floor Condition is not satisfied, the Digital Floor Percentage 2; or*
- *if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:*
  - *if no Knock-in event has occurred, zero;*
  - *if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Floor Condition is satisfied, the Digital Floor Percentage 1; or*
  - *in all the other cases, the Digital Floor Percentage 2.*



(y) **Single FI Digital Cap Coupon**

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

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

***Description of the Interest Rate***

*A Single FI Digital Cap Coupon provides that the Notes pay interest amount equal to:*

- *if Knock-in Event is specified as applicable in the applicable Final Terms:*
  - *if no Knock-in event has occurred, zero;*

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- if a Knock-in event has occurred and the FI Digital Cap Condition is satisfied, the Digital Cap Percentage 1; or
- if a Knock-in event has occurred and the FI Digital Cap Condition is not satisfied, the Digital Cap Percentage 2;
- if Knock-in Event is not specified as applicable in the applicable:
  - if the FI Digital Cap Condition is satisfied, the Digital Cap Percentage 1; or
  - if the FI Digital Cap Condition is not satisfied, the Digital Cap Percentage 2; or
- if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
  - if no Knock-in event has occurred, zero;
  - if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Cap Condition is satisfied, the Digital Cap Percentage 1; or
  - in all the other cases, the Digital Cap Percentage 2.

### (z) **Single FI Target Coupon**

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

#### ***Description of the Interest Rate***

*A Single FI Target Coupon provides an interest equal to a Final Interest Rate in case of an Automatic Early Redemption Event not occurring.*

### (aa) **Duration Adjusted Coupon**

If Duration Adjusted Coupon is specified as applicable in the applicable Final Terms:

$$\text{Constant Percentage} + \text{Max}(0, \text{Rate}_{(i)} + \text{Spread}_{(i)}) \times \frac{1 - (1 + \text{Rate}_{(i)})^{-N}}{\text{Rate}_{(i)}}$$

#### ***Description of the Interest Rate***

*A Duration Adjusted Coupon provides an interest equal to a constant percentage plus a rate and spread (the sum of which cannot be negative) both adjusted for the duration.*

### (bb) **FX Wedding Cake Interest**

If FX Wedding Cake Interest is specified as applicable in the applicable Final Terms:

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- (i) If, at all times on each Interest Observation Date during the relevant Interest Period, the Settlement Price remains within Interest Range 1:

Nominal Amount  $\times$  Rate\_1  $\times$  Day Count Fraction (if Day Count Fraction is specified as applicable in the relevant Final Terms)

- (ii) If Interest Range 2 is specified as applicable in the relevant Final Terms and at all times on each Interest Observation Date during the relevant Interest Period, the Settlement Price has, at least once, moved outside Interest Range 1 but has remained within Interest Range 2:

Nominal Amount  $\times$  Rate\_2  $\times$  Day Count Fraction (if Day Count Fraction is specified as applicable in the relevant Final Terms)

- (iii) If Interest Range n<sup>th</sup> is specified as applicable in the relevant Final Terms and at all times on each Interest Observation Date during the relevant Interest Period, the Settlement Price has, at least once, moved outside Interest Range 1, Interest Range 2 and any other wider Interest range (other than Interest Range n<sup>th</sup>) specified as applicable in the relevant Final Terms but has remained within Interest Range n<sup>th</sup>:

Nominal Amount  $\times$  Rate\_n  $\times$  Day Count Fraction (if Day Count Fraction is specified as applicable in the relevant Final Terms)

- (iv) If none of the previous conditions has been met, the Interest Amount shall be equal to zero.

Where:

"**Interest Range 1**" is as defined in the applicable Final Terms;

"**Interest Range 2**" is as defined in the applicable Final Terms;

"**Interest Range nth**" is as defined in the applicable Final Terms;

"**Rate\_1**" means the percentage specified in the applicable Final Terms;

"**Rate\_2**" means the percentage specified in the applicable Final Terms;

"**Rate\_n**" means the percentage specified in the applicable Final Terms.

"**Interest Observation Date**" means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes, a Commodity Business Day (in respect of Commodity Linked Notes), a Fund Business Day (in the case of Fund Linked Notes) or Business Day (in the case of other Notes), as applicable, the next following Scheduled Trading Day, Commodity Business Day, Fund Business

## ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

Day or Business Day, as applicable, unless, in the case of Index Linked Notes, Share Linked Notes, Commodity Linked Notes, Debt Linked Notes or ETI Linked Notes, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index Linked Notes, Share Linked Notes, Debt Linked Notes or ETI Linked Notes, a Market Disruption Event is occurring on such day (in respect of Commodity Linked Notes). If any such day is a Disrupted Day, a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Interest Observation Date" or (in the case of Commodity Linked Notes) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Interest Observation Date". For the purposes of the Relevant Adjustment Provisions, any references to "Valuation Date" shall be deemed to refer to the "Interest Observation Date".

### ***Description of the Interest Rate***

*A FX Wedding Cake Interest provides that the Notes pay interest amount equal to fixed percentages which vary in accordance with the fluctuation of the Underlying Reference Level. In particular, on each Interest Observation Date during the Interest Period, the Underlying Reference Level may remain in or move outside of certain ranges (Interest Range 1, Interest Range 2 and any other wider range (Remuneration Range  $n^{th}$ )), thus determining the applicable fixed percentage (respectively, Rate\_1, Rate\_2, Rate\_n). If the Underlying Reference Level has at least once moved outside all the applicable ranges (therefore not satisfying any applicable condition) the Interest Amount will be equal to the zero.*

#### **(cc) Underlying Linked Interest**

If Underlying Linked Interest is specified as applicable in the applicable Final Terms:

Max ( Gearing 1  $\times$  (Interest Rate Settlement Value<sub>(i)</sub> - Strike Percentage); Floor Percentage ); or

Min (Cap Percentage; Max ( Gearing 1  $\times$  (Interest Rate Settlement Value<sub>(i)</sub> - Strike Percentage); Floor Percentage )

Where:

"i" means the relevant MFP Coupon Valuation Date;

### ***Description of the Interest Rate***

*An Underlying Linked Interest provides that the Notes pay an interest amount linked to the relevant Interest Rate Settlement Value for the relevant period, multiplied by a gearing factor, subject to a minimum and a maximum.*

#### **(dd) Differential Linked Interest**

If Differential Linked Interest is specified as applicable in the applicable Final Terms:

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Max (Gearing 1 × (Difference<sub>(i)</sub>), Floor Percentage);

Or

Min [Max ( Gearing 1 × (Difference<sub>(i)</sub>), Floor Percentage ); Cap Percentage]

Where:

"i" means the relevant Underlying Interest Determination Date or the relevant MFP Coupon Valuation Date, as specified in the applicable Final Terms;

"Difference<sub>(i)</sub>" means:

- (i) in respect of an Underlying Interest Determination Date, the percentage determined in accordance with the following formula:

Underlying Interest Rate 1 - Underlying Interest Rate 2; or

- (ii) in respect of a MFP Coupon Valuation Date, the percentage determined in accordance with the following formula:

Underlying Reference Value 1 - Underlying Reference Value 2

"**Underlying Interest Rate 1**" means in respect of an Underlying Interest Determination Date, the Underlying Reference Rate indicated as such in the applicable Final Terms and determined in the manner specified in the applicable Final Terms;

"**Underlying Interest Rate 2**" means in respect of an Underlying Interest Determination Date, the Underlying Reference Rate indicated as such in the applicable Final Terms and determined in the manner specified in the applicable Final Terms;

"**Underlying Reference Value 1**" means, in respect of a MFP Coupon Valuation Date, the Underlying Reference Value of the Underlying Reference 1 determined in the manner specified in the applicable Final Terms;

"**Underlying Reference Value 2**" means, in respect of a MFP Coupon Valuation Date, the Underlying Reference Value of the Underlying Reference 2 determined in the manner specified in the applicable Final Terms;

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

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

### ***Description of the Interest Rate***

*A Differential Linked Interest provides that the Notes pay an interest amount linked to the difference of two Underlying Reference Rates or two Underlying Reference Values for the relevant period, multiplied by a gearing factor, subject to a minimum and a maximum.*

**6. MFP ENTITLEMENT AMOUNTS**

**6.1 Entitlement Amount Formulas**

The following Entitlement Amounts (each an "**Entitlement Amount**") will apply to the Notes if specified in the applicable Final Terms, subject as provided in Formulas Condition 6.1(d) below:

**(a) Delivery of Worst-Performing Underlying**

If Delivery of Worst-Performing Underlying is specified as applicable in the applicable Final Terms:

$$NA \times \text{Redemption Payout} / (\text{Worst Performing Underlying Reference Closing Price Value}_{(i)} \times FX_{(i)})$$

where:

"**Worst Performing Underlying Reference Closing Price Value<sub>(i)</sub>**" is the Underlying Reference Closing Price Value<sub>(i)</sub> on the relevant MFP Valuation Date in respect of the Underlying Reference with the Worst Value on such date; and

"**FX<sub>(i)</sub>**" is the relevant Underlying Reference FX Level on the relevant MFP Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

**(b) Delivery of Best-Performing Underlying**

If Delivery of Best-Performing Underlying is specified as applicable in the applicable Final Terms:

$$NA \times \text{Redemption Payout} / (\text{Best Performing Underlying Reference Closing Price Value}_{(i)} \times FX_{(i)})$$

where:

"**Best-Performing Underlying Reference Closing Price Value<sub>(i)</sub>**" is the Underlying Reference Closing Price Value<sub>(i)</sub> on the relevant MFP Valuation Date in respect of the Underlying Reference with the Best Value on such date; and

"**FX<sub>(i)</sub>**" is the relevant Underlying Reference FX Level on the relevant MFP Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

**(c) Delivery of the Underlying**

If Delivery of the Underlying is specified as applicable in the applicable Final Terms:

$$NA \times \text{Redemption Amount Payout} / (\text{Underlying Reference Closing Price Value} \times FX_{(i)})$$

where:

"**Underlying Reference Closing Price Value**" is the Underlying Reference Closing Price Value on the relevant MFP Valuation Date; and

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"FX<sub>(i)</sub>" is the Underlying Reference FX Level on the relevant MFP Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

### (d) **Rounding and Residual Amount**

The Entitlement Amount will be rounded down to the nearest unit of each Relevant Asset capable of being delivered and in lieu thereof the Issuer will pay an amount equal to:

$$NA \times \text{Redemption Amount Payout} - \sum_{k=1}^K \text{Number (k, i)} * \text{FX}_{(k,i)} * \text{Underlying Reference Closing Price Value}_{(k,i)}$$

"**Number<sub>(k,i)</sub>**" is equal to the Entitlement Amount for the relevant Underlying Reference<sub>(k)</sub> and MFP Valuation Date<sub>(i)</sub>;

"**Underlying Reference Closing Price Value<sub>(k,i)</sub>**" is the Underlying Reference Closing Price Value<sub>(i)</sub> on the relevant MFP Valuation Date in respect of the relevant Underlying Reference<sub>(k)</sub>; and

"**FX<sub>(k,i)</sub>**" is the relevant Underlying Reference FX Level on the relevant MFP Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

## 7. GENERAL FORMULAS DEFINITIONS

"**AC Barrier Value**" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Additional Coupon**" means each Interest Rate specified as such in the applicable Final Terms;

"**Additional Coupon<sub>(i)</sub>**" means each Interest Rate specified as such in the applicable Final Terms;

"**Additional Coupon 1**" means each Interest Rate specified as such in the applicable Final Terms;

"**Additional Coupon 1<sub>(i)</sub>**" means each Interest Rate specified as such in the applicable Final Terms;

"**Additional Coupon 2**" means each Interest Rate specified as such in the applicable Final Terms;

"**Additional Coupon 2<sub>(i)</sub>**" means each Interest Rate specified as such in the applicable Final Terms;

"**Additional Coupon 3<sub>(i)</sub>**" means each Interest Rate specified as such in the applicable Final Terms;

"**Additional Digital Coupon Condition**" means that the DC Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater

## ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

than or (d) less than or equal to, as specified in the applicable Final Terms, the Barrier Level or (e) "within" the Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Barrier Range Level, in each case as specified in the applicable Final Terms;

**"Additional Final Payout"** means each Final Payout specified as such in the applicable Final Terms before being multiplied by the applicable Nominal Amount for the relevant Weighted Mixed Payouts Notes or Max Mixed Payouts Notes and if Payout FX Conversion is specified as applicable in the applicable Final Terms, converted into the Payout Currency at the Payout FX Value, in each case specified in the applicable Final Terms;

**"Additional Final Payout 1"** means each Final Payout specified as such in the applicable Final Terms before being multiplied by the applicable Nominal Amount for the relevant Knock-In Mixed Payouts Notes and for the relevant Knock-out Mixed Payouts Notes if Payout FX Conversion is specified as applicable in the applicable Final Terms, converted into the Payout Currency at the Payout FX Value, in each case specified in the applicable Final Terms;

**"Additional Final Payout 2"** means each Final Payout specified as such in the applicable Final Terms before being multiplied by the applicable Nominal Amount for the relevant Knock-In Mixed Payouts Notes and for the relevant Knock-out Mixed Redemption Amounts Notes if Payout FX Conversion is specified as applicable in the applicable Final Terms, converted into the Payout Currency at the Payout FX Value, in each case specified in the applicable Final Terms;

**"Additional Final Payout Weighting"** is the number, amount or percentage specified as such in the applicable Final Terms;

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

**"Barrier Level"** means the percentage, number or amount specified as such in the applicable Final Terms or, if specified in the applicable Final Terms, the product of the Barrier Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

**"Barrier Percentage Strike Price"** means the percentage specified as such in the applicable Final Terms;

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

**"Barrier Range Level"** means the range of levels, amounts, numbers or percentages specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

**"Bonus Level Percentage"** means the percentage specified as such in the applicable Final Terms;



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"**Bonus Level**" means the number or amount specified as such in the applicable Final Terms or, if specified in the applicable Final Terms, the product of the Bonus Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

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

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

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

"**Bonus Percentage 3**" means the percentage specified as such in the applicable Final Terms;

"**Bonus Percentage 4**" means the percentage specified as such in the applicable Final Terms;

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

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

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

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

"**Cap Level**" means the number or amount specified as such in the applicable Final Terms or, if specified in the applicable Final Terms, the product of the Cap Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

"**Cap Percentage**" is as defined in the relevant Final Terms;

"**Cap Percentage 1**" is as defined in the relevant Final Terms;

"**Cap Percentage 2**" is as defined in the relevant Final Terms;

"**Cap Percentage 3**" is as defined in the relevant Final Terms;

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

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

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

"**Constant Mixed Percentage**" is as defined in the relevant Final Terms;

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

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

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

"**Constant Percentage 3**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 4**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 5**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 6**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 7**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 8**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 9**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 10**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 11**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 12**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 13**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 14**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 15**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 16**" means the percentage specified as such in the applicable Final Terms;

"**Constant Percentage 17**" means the percentage specified as such in the applicable Final Terms;

"**Conversion Rate Early**" means the Conversion Rate on (a) the Relevant Automatic Early Redemption Valuation Date or (b) the relevant Optional Redemption Valuation Date, as applicable;

"**Conversion Rate Final**" means the Conversion Rate on the Valuation Date;

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

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

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

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

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

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

"**Coupon Percentage 2**" means the percentage (which can also be a negative percentage) specified as such in the applicable Final Terms;

"**Coupon Value**" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Coupon Weighting**" means the number, amount or percentage specified as such in the applicable Final Terms;

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

"**DC Barrier Value**" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

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

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

"**Digital Coupon Condition**" means that the DC Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Barrier Level or (e) "within" the Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Barrier Range Level, in each case as specified in the applicable Final Terms;

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

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

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

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

**"Double Digital Coupon Condition 1"** means that the DC Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Barrier Level or (e) "within" the Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Barrier Range Level, in each case as specified in the applicable Final Terms;

**"Double Digital Coupon Condition 2"** means that the DC Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Barrier Level or (e) "within" the Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Barrier Range Level, in each case as specified in the applicable Final Terms;

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

**"Down Final Redemption Value"** means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

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

**"Down Strike Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Downside Participation Factor"** means the percentage specified as such in the applicable Final Terms;

**"EDS Barrier Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Exchange Rate"** means, in respect of a day, the rate of exchange (including any rates of exchange pursuant to which the relevant rate of exchange is derived), between the currencies and from the source(s) and at the time in each case specified in the applicable Final Terms on such day;

**"Exchange Rate Final"** means the Exchange Rate on the Valuation Date;

**"Exchange Rate Initial"** means the Exchange Rate on the Strike Date;

**"Express Amount"** means the amount specified as such in the applicable Final Terms;

**"FI Basket 1"** means the basket of Alternative Currencies specified as such in the applicable Final Terms;

**"FI Basket 2"** means the basket of Alternative Currencies specified as such in the applicable Final Terms;

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

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

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

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

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

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

- (a) (A) if FI Basket 1 is specified as not applicable in the applicable Final Terms, that the FI DC Barrier Value for Underlying Reference 1 for the relevant FI Interest Valuation Date is or (B) if FI Basket 1 is specified as applicable in the applicable Final Terms, the FX Coupon Performance for FI Basket 1 for the relevant FI Interest Valuation Date is (i)(a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Upper Barrier Level and (ii) if a FI Lower Barrier Level is specified in the applicable Final Terms, (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Lower Barrier Level; and/or
- (b) if FI Digital Coupon Condition 2 is specified as applicable in the applicable Final Terms, (A) if FI Basket 2 is specified as not applicable in the applicable Final Terms that the FI DC Barrier Value for Underlying Reference 2 for the relevant FI Interest Valuation Date is or (B) if FI Basket 2 is specified as applicable in the applicable Final Terms, the FX Coupon Performance for FI Basket 2 for the relevant FI Interest Valuation Date is (i)(a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Upper Barrier Level 2 and (ii) if a FI Lower Barrier Level 2 is specified in the applicable Final Terms, (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the FI Lower Barrier Level 2;

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

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

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

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

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

"**FI Digital Value**" means, in respect of a FI Valuation Date, the Performance Value as specified in the applicable Final Terms;

"**FI Lower Barrier Level 2**" means the number, level or percentage specified as such in the applicable Final Terms;

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

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

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

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

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

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

"**FI Upper Barrier Level 2**" means the number, level or percentage specified as such in the applicable Final Terms;

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

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

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

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

"**Final Reference Level**" means:

- (a) if Averaging is not specified as being applicable in the applicable Final Terms, the Settlement Price on the Valuation Date; or

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- (b) if Averaging is specified as being applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices determined on each of the Averaging Dates;

**"Final Interest Rate"** means:

- (a) if Capped and Guaranteed Applicable is specified in the applicable Final Terms, the Automatic Early Redemption Percentage or Target Coupon Percentage less Paid Coupon;
- (b) if Capped and Guaranteed Not Applicable is specified in the applicable Final Terms, the product of the Final Coupon Rate and the Final Day Count Fraction (if applicable);
- (c) if Capped Only is specified in the applicable Final Terms:

Min (Final Coupon Rate  $\times$  Final Day Count Fraction (if applicable), Automatic Early Redemption Percentage or Target Coupon Percentage – Paid Coupon);

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

Max (Final Coupon Rate  $\times$  Final Day Count Fraction (if applicable), Automatic Early Redemption Percentage or Target Coupon Percentage – Paid Coupon).

**"Final Redemption Condition"** means that:

- (a) the FR Barrier Value for the relevant MFP FR Barrier Valuation Date or MFP FR Barrier Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than (d) less than or equal to, as specified in the applicable Final Terms, the Final Redemption Condition Level, or (e) "within" the Final Redemption Range Level, or (f) "outside" the Final Redemption Range Level, all as specified in the applicable Final Terms (the "**Final Redemption Condition 1**"); and/or (as specified in the applicable Final Terms);
- (b) the FR Barrier Value 2 for the relevant MFP FR Barrier Valuation Date or MFP FR Barrier Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than (d) less than or equal to, the Final Redemption Condition Level 2 or (e) "within" the Final Redemption Range Level, or (f) "outside" the Final Redemption Range Level, all as specified in the applicable Final Terms (the "**Final Redemption Condition 2**");

**"Final Redemption Condition Level"** means the percentage, amount or number specified as such in the applicable Final Terms;

**"Final Redemption Condition Level 2"** means the percentage, amount or number specified as such in the applicable Final Terms;

**"Final Settlement Price"** means, in respect of an Alternative/Base Currency, (i) if Averaging is specified as not applicable in the applicable Final Terms, the Settlement Price on the relevant FI Valuation Date,

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(ii) if Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all Averaging Dates, (iii) if Highest Look Back is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Alternative/Base Currency for all Averaging Dates or (iv) if Lowest Look Back is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Alternative/Base Currency for all Averaging Dates;

**"Final Redemption Range Level"**: means the range of levels, amounts, numbers or percentages specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

**"Final Redemption Value"** means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Final Redemption Value 1"** means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Final Redemption Value 2"** means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Final Redemption Value 3"** means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Final Redemption Value 4"** means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates,*



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*Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Fixed Income Automatic Early Redemption Payouts"** means the Automatic Early Redemption Payouts contained in the Automatic Early Redemption Payouts Formulas Conditions 2.1(g) and 2.1(h);

**"Fixed Income Final Payouts"** means the Final Payouts contained in the Formulas Conditions from (and including) 1.1(mmm) to (and including) 1.1 (rrr);

**"Fixed Income Payouts"** means the Fixed Income Final Payouts and the Fixed Income Automatic Early Redemption Payouts;

**"Fixed Income Interest Rates"** means Interest Rates contained in the Interest Rates Formulas Conditions 5.1(p), 5.1(q), 5.1(r), 5.1(s), 5.1(t), 5.1(u), 5.1(v), 5.1(w), 5.1(x), 5.1(y), 5.1(z) and 5.1(aa);

**"Fixed Percentage"** is as defined in the relevant Final Terms;

**"Floor Percentage"** is as defined in the relevant Final Terms;

**"Floor Percentage 1"** is as defined in the relevant Final Terms;

**"Floor Percentage 2"** is as defined in the relevant Final Terms;

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

**"FR Barrier Value"** means, in respect of a MFP FR Barrier Valuation Date or MFP FR Barrier Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"FR Barrier Value 2"** means, in respect of a MFP FR Barrier Valuation Date or MFP FR Barrier Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"FR Calculation Period"** means the period from (and including) the Interest Payment Date, immediately preceding the Final Valuation Date (or if none the Issue Date) to (but excluding) the Final Valuation Date;

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

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

"**FR CSN Rate**" means a percentage calculated as the product of the FR Rate and the applicable FR Day Count Fraction;

"**FR Day Count Fraction**" means the Day Count Fraction specified as such in the applicable Final Terms;

"**FR Exit Rate**" means any of FR Rate, FR Up Rate or FR CSN Rate as specified in the applicable Final Terms;

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

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

"**FR Rate**" means the rate specified as such or determined in the manner set out in, the applicable Final Terms. If the applicable Final Terms specify that the FR Rate is to be determined by reference to a Screen Rate, the FR Rate shall be calculated pursuant to Base Condition 8.5(d) (*AER Rate Determination*), as applicable, save that references therein to "AER" shall be deemed to be references to "FR";

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

"**FR Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

"**FR Up Rate**" means:

(a) if Cap is specified as applicable in the applicable Final Terms:

$\text{Min} (\text{Max} (\text{FR Floor Percentage}, \text{FR Gearing} \times (\text{FR Value} - \text{FR Strike Percentage}) + \text{FR Spread}), \text{FR Cap Percentage}) + \text{FR Constant Percentage}$

(b) if Cap is specified as not applicable in the applicable Final Terms:

$\text{Max} (\text{FR Floor Percentage}, \text{FR Gearing} \times (\text{FR Value} - \text{FR Strike Percentage}) + \text{FR Spread}) + \text{FR Constant Percentage}$

"**FR Value**" means, in respect of a MFP FR Valuation Date or MFP FR Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**FX Coupon Performance**" means, in respect of an FI Interest Valuation Date:

- (i) in the case of Notes relating to a single Alternative Currency, the FX Coupon Performance Value;
- (ii) if Weighted Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Alternative Currency in the Relevant Basket as (a) the FX Coupon Performance Value for the relevant Alternative Currency for such FI Interest Valuation Date (b) multiplied by the relevant FX Weighting;
- (iii) if Best Of Weighted Basket is specified as applicable in the applicable Final Terms, the highest FX Coupon Performance Value of any Alternative Currency in the Relevant Basket in respect of such FI Interest Valuation Date;
- (iv) if Worst Of Weighted Basket is specified as applicable in the applicable Final Terms, the lowest FX Coupon Performance Value of any Alternative Currency in the Relevant Basket in respect of such FI Interest Valuation Date;
- (v) if Multi Basket is specified as applicable in the Final Terms:

$$\sum_{j=1}^m \sum_{i=1}^n G_j \times (W_i \times \text{FX Coupon Performance Value})$$

where:

"**G<sub>j</sub>**" means, in respect of a basket of Alternative Currencies, the percentage specified as such for such basket of Alternative Currencies in the applicable Final Terms;

"**W<sub>i</sub>**" means, in respect of an Alternative Currency, the FX Weighting for such Alternative Currency; or

- (vi) if Ranked Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Alternative/Base Currency in the Relevant Basket as (a) the FX Coupon Ranked Value for the relevant Alternative Currency for such FI Interest Valuation Date multiplied by (b) the relevant FX Weighting;

"**FX Coupon Performance Value**" means, in respect of an FI Interest Valuation Date and an Alternative Currency:

- (a) if FX Performance Coupon 1 is specified in the applicable Final Terms,

$$\text{FX Final Interest Settlement Price} - \text{FX Initial Interest Settlement Price}$$

- (b) if FX Performance Coupon 2 is specified in the applicable Final Terms,

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FX Initial Interest Settlement Price - FX Final Interest Settlement Price

- (a) if FX Performance Coupon 3 is specified in the applicable Final Terms,

$$\left( \frac{\text{FX Final Interest Settlement Price} - \text{FX Initial Interest Settlement Price}}{\text{FX Final Interest Settlement Price}} \right)$$

- (b) if FX Performance Coupon 4 is specified in the applicable Final Terms,

$$\left( \frac{\text{FX Initial Interest Settlement Price} - \text{FX Final Interest Settlement Price}}{\text{FX Final Interest Settlement Price}} \right)$$

- (e) if FX Performance Coupon 5 is specified in the applicable Final Terms,

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

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

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

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

$$\left( \frac{\text{FX Final Interest Settlement Price} - \text{FX Initial Interest Settlement Price}}{\text{FX Initial Interest Settlement Price}} \right)$$

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

$$\left( \frac{\text{FX Initial Interest Settlement Price} - \text{FX Final Interest Settlement Price}}{\text{FX Initial Interest Settlement Price}} \right)$$

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

$$\frac{\text{FX Final Interest Settlement Price}}{\text{FX Initial Interest Settlement Price}}$$

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

$$\frac{\text{FX Initial Interest Settlement Price}}{\text{FX Final Interest Settlement Price}}$$

**"FX Coupon Ranked Value"** means, in respect of an FI Interest Valuation Date, the FX Coupon Performance Value in respect of the Alternative/Base Currency with the FX Coupon Ranking in respect of such FI Interest Valuation Date set out in the applicable Final Terms;

**"FX Coupon Ranking"** means, in respect of an FI Interest Valuation Date, the ordinal positioning of each Alternative/Base Currency by FX Coupon Performance Value from lowest FX Coupon Performance Value to greatest FX Coupon Performance Value in respect of such FI Interest Valuation Date

**"FX Final Interest Settlement Price"** means, in respect of an Alternative/Base Currency, (i) if Averaging is specified as not applicable in the applicable Final Terms, the Settlement Price on the relevant FI Interest Valuation Date, (ii) if Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all Averaging Dates in respect of the relevant

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FI Interest Valuation Date, (iii) if Highest Look Back is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Alternative/Base Currency for all Averaging Dates in respect of the relevant FI Interest Valuation Date or (iv) if Lowest Look Back is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Alternative/Base Currency for all Averaging Dates in respect of the relevant FI Interest Valuation Date;

**"FX Initial Interest Settlement Price"** means, in respect of an Alternative Currency:

- (a) the amount specified as such in the applicable Final Terms; or
- (b) if Initial Closing Value is specified as applicable in the applicable Final Terms, the Settlement Price for such Alternative Currency on the Strike Date; or
- (c) if Initial Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for such Alternative Currency for all the Strike Days in the Strike Period; or
- (d) if Highest Look Back Value is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Alternative Currency for all the Strike Days in the Strike Period; or
- (e) if Lowest Look Back Value is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Alternative Currency for all the Strike Days in the Strike Period.

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

- (a) if Performance Value 1 is specified in the applicable Final Terms,  
Final Settlement Price - Initial Settlement Price;
- (b) if Performance Value 2 is specified in the applicable Final Terms,  
Initial Settlement Price - Final Settlement Price;
- (c) if Performance Value 3 is specified in the applicable Final Terms,  
$$\left( \frac{\text{Final Settlement Price} - \text{Initial Settlement Price}}{\text{Final Settlement Price}} \right);$$
- (d) if Performance Value 4 is specified in the applicable Final Terms,  
$$\left( \frac{\text{Initial Settlement Price} - \text{Final Settlement Price}}{\text{Final Settlement Price}} \right);$$
- (e) if Performance Value 5 is specified in the applicable Final Terms,  
$$\left( \frac{1}{\text{Initial Settlement Price}} \right) - \left( \frac{1}{\text{Final Settlement Price}} \right);$$
- (f) if Performance Value 6 is specified in the applicable Final Terms,

ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

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

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

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

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

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

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

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

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

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

"**FX Ranking**" means, in respect of an FI Valuation Date, the ordinal positioning of each Alternative/Base Currency by FX Performance Value from lowest FX Performance Value to greatest FX Performance Value in respect of such FI Valuation Date;

"**FX Weighting**" means, in respect of an Alternative Currency, the number, amount or percentage specified as such for such Alternative Currency in the applicable Final Terms;

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

"**Gearing<sub>(i)</sub>**" means as specified in the applicable Final Terms;

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

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

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

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

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

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

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

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

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

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

ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

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

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

"**i**" means the number specified as such in the applicable Final Terms;

"**i**" means the relevant MFP Valuation Date, MFP Valuation Period, or any Valuation Date or Valuation Period as indicated in the applicable Final Terms;

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

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

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

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

"**Initial Reference Level**" is as defined in the Final Terms;

"**Initial Settlement Price**" means, in respect of an Alternative Currency:

- (a) the amount specified as such in the applicable Final Terms; or
- (b) if Initial Closing Value is specified as applicable in the applicable Final Terms, the Settlement Price for such Alternative Currency on the Strike Date; or
- (c) if Initial Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for such Alternative Currency for all the Strike Days in the Strike Period; or
- (d) if Highest Look Back Value is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Alternative Currency for all the Strike Days in the Strike Period; or
- (e) if Lowest Look Back Value is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Alternative Currency for all the Strike Days in the Strike Period.

"**j**" means the relevant Strike Date;

"**k**" means the relevant Underlying Reference;

"**K**" means the total number of Underlying References in the Basket;

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

"**Listing Date**" means, in respect of any Notes, the date on which such Notes are first admitted to trading on any stock exchange or other trading or quotation system;

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

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

"**Local Cap Percentage<sub>(i)</sub>**" means the percentage specified as such in the applicable Final Terms;

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

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

"**Local Floor Percentage<sub>(i)</sub>**" means the percentage specified as such in the applicable Final Terms;

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

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

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

"**Lower Level**" means the number or amount specified as such in the applicable Final Terms;

"**M**" means a series of MFP Valuation Dates or MFP Valuation Periods;

"**m**" means the relevant MFP Valuation Date or MFP Valuation Period;

"**Maximum Payout Amount**" means the amount specified as such in the applicable Final Terms;

"**MFP Automatic Early Redemption Payout**" means the Automatic Early Redemption Payout contained in the Automatic Early Redemption Payouts Formulas Condition 2.1(d);

"**MFP Call Payouts**" means the Call Payout contained in the Noteholder Call Option Payouts Formulas Condition 4.1(d);

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

"**MFP Coupon Valuation Period**" means the period specified as such in the applicable Final Terms;

"**MFP Coupon Valuation Period<sub>(i)</sub>**" means the period specified as such in the applicable Final Terms;



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"**MFP Date Weighting**" means, in respect of a MFP Valuation Date, the number, amount or percentage specified as such for such date in the applicable Final Terms;

"**MFP Double Digital Mixed Coupon Condition 1**" means that the Mixed Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Mixed Barrier Level; or (e) "within" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms;

"**MFP Double Digital Mixed Coupon Condition 2**" means that the Mixed Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Mixed Barrier Level; or (e) "within" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms;

"**MFP Entitlement Amounts**" means the Entitlement Amounts contained in the Entitlement Amount Formulas Condition 6 (*MFP Entitlement Amount*);

"**MFP Final Payout**" means the Final Payouts contained in the Formulas Conditions from (and including) 1.1(ii) to (and including) 1.1 (hhh);

"**MFP FR Barrier Valuation Date**" means each Averaging Date, Valuation Date, Pricing Date, Underlying Interest Determination Date, Settlement Price Date and/or each day, all specified as such in the applicable Final Terms; and;

"**MFP FR Barrier Valuation Period**" means each period specified as such in the applicable Final Terms;

"**MFP FR Valuation Date**" means each Averaging Date, Valuation Date, Pricing Date, Underlying Interest Determination Date, Settlement Price Date and/or each day, all specified as such in the applicable Final Terms;

"**MFP FR Valuation Period**" means each period specified as such in the applicable Final Terms;

"**MFP Memory Snowball Date**" means each date on which the relevant MFP Memory Snowball Digital Coupon Condition is satisfied or the last day of any MFP Coupon Valuation Period in which the MFP Memory Snowball Digital Coupon Condition is satisfied;

"**MFP Memory Snowball Digital Coupon Condition**" means that the Snowball Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the

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Snowball Level; or (e) "within" the Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Barrier Range Level, in each case as specified in the applicable Final Terms;

**"MFP Digital Mixed Coupon Condition"** means that the Mixed Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Mixed Barrier Level; or (e) "within" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms;

**"MFP Payouts"** means the MFP Final Payout, the MFP Automatic Early Redemption Payouts, the MFP Put Payouts and the MFP Call Payouts.

**"MFP Put Payout"** means the Put Payout contained in the Noteholder Put Option Payouts Formulas Conditions 3.1(d);

**"MFP Range Accrual Coupon Barrier Level Down "** means the percentage, amount or number specified as such in the applicable Final Terms;

**"MFP Range Accrual Coupon Barrier Level Up "** means the percentage, amount or number specified as such in the applicable Final Terms;

**"MFP Range Accrual Coupon Condition"** means:

- (a) if Barrier Up is specified as applicable in the applicable Final Terms, that the AC Barrier Value for the relevant MFP Coupon Valuation Date is (i) "greater" than or (b) "equal to or greater than" the relevant MFP Range Accrual Coupon Barrier Level Down and (ii) (a) "less than" or (b) "less than or equal to" the relevant MFP Range Accrual Coupon Barrier Level Up; or
- (b) if Barrier Up is specified as not applicable in the applicable Final Terms, that the AC Barrier Value for the relevant MFP Coupon Valuation Date is equal to or greater than MFP Range Accrual Coupon Barrier Level Down;

**"MFP Range Accrual Day"** means a calendar day, Business Day, Exchange Business Day, Hybrid Business Day, Scheduled Trading Day, MFP Coupon Valuation Date or other day specified as such in the applicable Final Terms;

**"MFP Interest Rates"** means Interest Rates contained in the Interest Rates Formulas Conditions from (and including) 5.1(a) to (and including) 5.1(h);

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

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**"MFP Settlement Valuation Period"** means each period specified as such in the applicable Final Terms;

**"MFP Valuation Date"** means each MFP Coupon Valuation Date, MFP Redemption Valuation Date, MFP ES Valuation Date, MFP FR Valuation Date, MFP FR Barrier Valuation Date, Knock-in Determination Day, Knock-out Determination Day, MFP EndDay Valuation Date, MFP StartDay Valuation Date, MFP Call Valuation Date, MFP Put Valuation Date, MFP ACS Valuation Date, MFP APS Valuation Date, Automatic Early Redemption Valuation Date, Strike Day or Strike Date specified as such in the applicable Final Terms;

**"MFP Valuation Period"** means each MFP ES Valuation Period, MFP Coupon Valuation Period, MFP FR Barrier Valuation Period, MFP Call Valuation Period, MFP Put Valuation Period, Automatic Early Redemption Valuation Period, Automatic Early Expiration Valuation Period, MFP FR Valuation Period, MFP Settlement Valuation Period, Knock-in Determination Period, Knock-out Determination Period, MFP ACS Valuation Period, or MFP APS Valuation Period, specified in the applicable Final Terms;

**"Mixed Barrier Level"** means the number, amount or percentage specified as such in the applicable Final Terms; or if specified in the applicable Final Terms, the product of the Barrier Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

**"Mixed Barrier Range Level"** means the range of levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

**"Mixed Barrier Value"** means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Multiple Underlying Interest Rate Gearing"** means, in respect of an Underlying Interest Rate<sup>(i)</sup> specified in the applicable Final Terms as a Multiple Underlying Component Rate, the number specified as such in the applicable Final Terms;

**"Multiple Underlying Reference Rate"** means, in respect of an Underlying Interest Rate<sup>(i)</sup> specified in the applicable Final Terms as a Multiple Underlying Component Rate, the Underlying Reference Rate determined in respect of such Underlying Interest Rate.

**"n"** means the number specified as such in the applicable Final Terms;

**"N"** is as defined in the applicable Final Terms;

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"NA" means the Nominal Amount;

"nEnd days" has the meaning given it in the applicable Final Terms;

"nStart days" has the meaning given it in the applicable Final Terms;

"Observation Price Source" means the source specified as such in the applicable Final Terms;

"Paid Coupon" means, in respect of an Automatic Early Redemption Valuation Date or Target Determination Date, the sum of the values calculated for each Interest Period as the product of (i) the Interest Rate and (ii) if specified in the applicable Final Terms, the Day Count Fraction, in each case calculated for each Interest Period preceding the Current Interest Period (in the case of an Automatic Early Redemption Valuation Date) or the Target Final Interest Period (in the case of a Target Determination Date);

"Parity" means the number specified as such in the applicable Final Terms;

"Participation Factor" means the percentage specified as such in the applicable Final Terms;

"Payout Currency" means the currency specified as such in the applicable Final Terms;

"Payout FX Closing Price Value" means the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms for such Payout Currency on the Payout FX Rate Date

"Payout FX Rate Date" means the date specified as such in the applicable Final Terms;

"Payout FX Rate Strike Date" means the date specified as such in the applicable Final Terms;

"Payout FX Strike Closing Price Value" means (i) the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms on the Payout FX Rate Strike Date or (ii) the rate of exchange specified in the applicable Final Terms, as specified in the applicable Final Terms.

"Payout FX Value" means, in respect of a Payout Currency (a) the Payout FX Closing Price Value divided by (b) the Payout FX Strike Closing Price Value;

"Performance of Components" means an amount calculated by the Calculation Agent in respect of the Component in accordance with the following formula:

$$\left[ \frac{\text{Final Reference Level}}{\text{Initial Reference Level}} \right] - 1$$

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"**Performance of Underlying 1**" means an amount calculated by the Calculation Agent in respect of the Underlying Reference identified as Underlying Reference 1 in the Final Terms in accordance with the following formula:

$$\left[ \frac{\text{Final Reference Level}}{\text{Initial Reference Level}} \right] - 1$$

"**Performance of Underlying 2**" means an amount calculated by the Calculation Agent in respect of the Underlying Reference identified as Underlying Reference 2 in the Final Terms in accordance with the following formula:

$$\left[ \frac{\text{Final Reference Level}}{\text{Initial Reference Level}} \right] - 1$$

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

- (i) in the case of Notes relating to a single Alternative Currency, the FX Performance Value;
- (ii) if Weighted Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Alternative Currency in the Basket as (a) the FX Performance Value for the relevant Alternative Currency for such FI Valuation Date (b) multiplied by the relevant FX Weighting;
- (iii) if Best Of Weighted Basket is specified as applicable in the applicable Final Terms, the highest FX Performance Value of any Alternative Currency in the Relevant Basket in respect of such FI Valuation Date;
- (iv) if Worst Of Weighted Basket is specified as applicable in the applicable Final Terms, the lowest FX Performance Value of any Alternative Currency in the Relevant Basket in respect of such FI Valuation Date;
- (v) if Multi Basket is specified as applicable in the Final Terms:

$$\sum_{j=1}^m \sum_{i=1}^n G_j \times (W_i \times \text{FX Performance Value})$$

where:

"**G<sub>j</sub>**" means, in respect of a basket of Alternative Currencies, the percentage specified as such for such basket of Alternative Currencies in the applicable Final Terms;

"**W<sub>i</sub>**" means, in respect of an Alternative Currency, the FX Weighting for such Alternative Currency; or

- (vi) if Ranked Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Alternative/Base Currency in the Relevant Basket as (a) the Ranked Value for the relevant Alternative Currency for such FI Valuation Date multiplied by (b) the relevant FX Weighting;

"**Premium**" means, the amount in the Redemption Currency or the percentage indicated as such indicated as such in the relevant Final Terms;

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

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

**"Protection Level"** means the number specified as such in the applicable Final Terms;

**"Q"** is a series of MFP Valuation Dates in MFP Valuation Period<sub>(i)</sub> or Calculation Period<sub>(i)</sub>;

**"q"** means the relevant Observation Date or MFP Valuation Date;

**"Range Accrual Coupon Barrier Level Down"** means the number, level or percentage specified as such in the applicable Final Terms;

**"Range Accrual Coupon Barrier Level Down 2"** means the number, level or percentage specified as such in the applicable Final Terms;

**"Range Accrual Coupon Barrier Level Up"** means the number, level or percentage specified as such in the applicable Final Terms;

**"Range Accrual Coupon Barrier Level Up 2"** means the number, level or percentage specified as such in the applicable Final Terms;

**"Range Accrual Coupon Condition"** means:

- (a) (A) if FI Basket 1 is specified as not applicable in the applicable Final Terms, that the FI DC Barrier Value for Underlying Reference 1 for the relevant Range Accrual Day is or (B) if FI Basket 1 is specified as applicable in the applicable Final Terms, the FX Coupon Performance for FI Basket 1 for the relevant FI Interest Valuation Date is (a)(i) "greater than", (ii) "less than", (iii) "equal to or greater than" or (iv) "less than or equal to", as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down and (b) if a Range Accrual Coupon Barrier Level Up is specified in the applicable Final Terms, (i) "greater than", (ii) "less than", (iii) "equal to or greater than" or (iv) "less than or equal to", as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up; and/or
- (b) if Range Accrual Coupon Condition 2 is specified as applicable in the applicable Final Terms (A) if FI Basket 2 is specified as not applicable in the applicable Final Terms, that the FI DC Barrier Value for Underlying Reference 2 for the relevant Range Accrual Day is or (B) if FI Basket 2 is specified as applicable in the applicable Final Terms, the FX Coupon Performance for FI Basket 2 for the relevant FI Interest Valuation Date is (a)(i) "greater than", (ii) "less than", (iii) "equal to or greater than" or (iv) "less than or equal to", as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down 2 and (b) if a Range Accrual Coupon Barrier Level Up 2 is specified in the applicable Final Terms, (i) "greater than", (ii) "less than", (iii) "equal to or greater than" or (iv) "less than or equal to", as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up 2;

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

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

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

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

"**Ranked Value**" means, in respect of an FI Valuation Date, the FX Performance Value in respect of the Alternative/Base Currency with the FX Ranking in respect of such FI Valuation Date set out in the applicable Final Terms;

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

"**Rate<sub>(i)</sub>**" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period:

- (i) the fixed rate specified in or the floating rate calculated as provided in the applicable Final Terms;  
or
- (ii) the Vanilla Call Rate, the Vanilla Call Spread Rate, the Reference Amount Rate or the Reference Amount Spread Rate specified in the applicable Final Terms.

"**Rate 1<sub>(i)</sub>**" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period:

- (i) the fixed rate specified in or the floating rate calculated as provided in the applicable Final Terms;  
or
- (ii) the Vanilla Call Rate, the Vanilla Call Spread Rate, the Reference Amount Rate or the Reference Amount Spread Rate specified in the applicable Final Terms.

"**Rate 2<sub>(i)</sub>**" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period:

- (i) the fixed rate specified in or the floating rate calculated as provided in the applicable Final Terms; or
- (ii) the Vanilla Call Rate, the Vanilla Call Spread Rate, the Reference Amount Rate or the Reference Amount Spread Rate specified in the applicable Final Terms.

"**Reference Amount Rate**" means:

Reference Amount<sub>(i)</sub> × (1 + Gearing<sub>(i)</sub>)

"**Reference Amount Spread Rate**" means:

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Reference Amount<sub>(i)</sub> × (1 + Gearing<sub>(i)</sub>) + Spread<sub>(i)</sub>

"**Reference Amount<sub>(i)</sub>**" means in respect of an Interest Valuation Date, the sum of the weighted dividends and/or other cash distributions declared by each company managing the relevant Component Security constituting the Underlying Index paid by the each relevant Component Security constituting the Underlying Index from (and excluding) the relevant Interest Valuation Date to (and including) the immediately preceding Interest Valuation Date (or if none the Issue Date), expressed as a percentage of the Nominal Amount, net of any applicable taxes, costs, expenses or redemption fees, subject to any adjustment made by the Index Sponsor.

"**Interest Rate Redemption Value**" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Relevant Basket**" means FI Basket 1 or FI Basket 2, as applicable;

"**Relevant Level**" has the meaning given to it in the applicable Final Terms;

"**Reverse Capped Notes Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Reverse Capped Notes Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Reverse Capped Notes Percentage 3**" means the percentage specified as such in the applicable Final Terms;

"**Reverse Capped Notes Percentage 4**" means the percentage specified as such in the applicable Final Terms;

"**Reverse Capped Notes Percentage 5**" means the percentage specified as such in the applicable Final Terms;

"**Reverse Level**" means the number or amount specified as such in the applicable Final Terms or, if not so specified in the applicable Final Terms, the product of the Reverse Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

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



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**"Redemption Payout"** means the Final Payout specified in the applicable Final Terms before being multiplied by the applicable Nominal Amount;

**"Settlement Price Final"** means the Settlement Price on the Valuation Date;

**"SFP Automatic Early Redemption Payout"** means the Automatic Early Redemption Payout contained in the Automatic Early Redemption Payouts Formulas Condition 2.1 (c);

**"SFP Call Payouts"** means the Call Payouts contained in the Noteholder Call Option Payouts Formulas Conditions from (and including) 4.1(a) to (and including) 4.1(c);

**"SFP Final Payout"** means the Final Payouts contained in the Formulas Conditions from (and including) 1.1(a) to (and including) 1.1 (hh);

**"SFP Payouts"** means the SFP Final Payout, the SFP Automatic Early Redemption Payouts, the SFP Put Payouts and the SFP Call Payouts;

**"SFP Put Payouts"** means the Put Payouts contained in the Noteholder Put Option Payouts Formulas Conditions from (and including) 3.1(a) to (and including) 3.1(c);

**"Snowball Barrier Value"** means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Snowball Level"** means the number, amount or percentage specified as such in the applicable Final Terms;

**"Speed Factor"** means the number specified as such in the applicable Final Terms;

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

**"Spread<sub>(i)</sub>"** means the percentage specified as such in the applicable Final Terms;

**"Strike Level"** means:

- (i) if the relevant Underlying Reference is an Index, the Closing Level;
- (ii) if the relevant Underlying Reference is a Share, the Closing Price or the Italian Securities Reference Price, as specified in the applicable Final Terms;
- (iii) if the relevant Underlying Reference is an ETI, the Closing Price;

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- (iv) if the relevant Underlying Reference is a Commodity or a Commodity Index, the Relevant Price;
- (v) if the relevant Underlying Reference is a Currency or Future, the Settlement Price; or
- (vi) if the relevant Underlying Reference is a Debt Instrument, the Settlement Price,
- (vii) if the relevant Underlying Reference is a Fund, the NAV per Fund Share.

in each case on the Strike Date;

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

"**Strike Price**" means the price, level or amount specified as such in the applicable Final Terms;

"**T**" means the relevant Observation Date or MFP Valuation Date;

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

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

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

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

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

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

- (a) if the relevant Underlying Reference is an Inflation Index, the Relevant Level (as defined in the Inflation Linked Note Conditions); or
- (b) if the relevant Underlying Reference is a rate of interest, the Underlying Reference Rate or, if Multiple Underlying Interest Rate is specified as applicable, the value calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Multiple Underlying Interest Rate Gearing}_{(i)} \times \text{Multiple Underlying Reference Rate}_{(i)}$$

- (c) if the relevant Underlying Reference is an Alternative Currency, the Settlement Price or FX Coupon Performance Value, as specified in the applicable Final Terms; or
- (d) if the relevant Underlying Reference is an Index, a Share, a Commodity or a Commodity Index, the Settlement Price,

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in each case in respect of such day.

**"Underlying Reference Initial"** means the number or amount specified as such in the applicable Final Terms;

**"Underlying Reference Level"** means, in respect of a time and a day (i) "official level", "opening price", "official close", "closing price", "purchase price", "sale price", "last price", "bid price", "asked price", "traded price", "official settlement price", "daily settlement price", "high", "mid", "low", "bid high", "bid low", "ask high", "ask low" of the Underlying Reference as specified in the applicable Final Terms published by the Observation Price Source or (ii) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms (a) in the case of Share Linked Notes and Futures Linked Notes the price of the relevant Underlying Reference, (b) in the case of Index Linked Notes, the level of the relevant Underlying Reference, (c) in the case of Commodity Linked Notes, the Relevant Price (on the basis that such day is deemed to be a Pricing Date), (d) in the case of Currency Linked Notes, the spot rate of exchange for the exchange of the Alternative Currency into the Base Currency (expressed as the number of units (or part units) of such Alternative Currency for which one unit of the Base Currency can be exchanged) or (e) in the case of Debt Linked Notes, the bid price of the relevant Underlying Reference as determined by the Calculation Agent by reference to the bid price for such Underlying Reference appearing on the Relevant Screen Page, (f) in the case of a Fund NAV per Fund Share, in each case for such time on such day;

**"Underlying Reference Weighting"** means, in respect of an Underlying Reference, the number, amount or percentage specified as such for such Underlying Reference in the applicable Final Terms.

**"Underlying Reference"** means:

- (a) for the purposes of the SFP Payouts, each Index, Share, Commodity, Commodity Index, Alternative Currency, Future, Debt Instrument or other basis of reference to which the relevant Notes relate;
- (b) for the purposes of the Fixed Income Final Payouts and Fixed Income Interest Rates, each Inflation Index, Alternative Currency, Underlying Interest Rate, Index, Share, Commodity, Commodity Index or other basis of reference to which the relevant Notes relate. If two or more Underlying Interest Rates are specified in the applicable Final Terms as Multiple Underlying Component Rates each Underlying Interest Rate<sub>(i)</sub> specified as such (together the "**Multiple Underlying Interest Rate**") will be calculated separately and independently but for the purposes of these Formulas Conditions and the Interest Rate Linked Note Conditions shall be deemed to together constitute an Underlying Reference;
- (c) for the purposes of the MFP Payouts, MFP Interest Rates and MFP Entitlement Amounts, each Index, Share, ETI, Debt Instrument, Commodity, Commodity Index, Fund, Underlying Interest Rate, Inflation Index or Future or other basis of reference to which the relevant Notes relate;

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

"**Up Final Redemption Value**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MF*))P Interest Rates, Payouts and Entitlement Amounts) specified as such in the applicable Final Terms;

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

"**Up Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Upper Level**" means the number or amount specified as such in the applicable Final Terms;

"**Upside Participation Factor**" means the percentage specified as such in the applicable Final Terms.

"**Vanilla Call Rate**" means:

Constant Percentage<sub>(i)</sub>+ Gearing<sub>(i)</sub> × Max(Coupon Value<sub>(i)</sub> - Strike Percentage<sub>(i)</sub>+Spread<sub>(i)</sub>,Floor Percentage<sub>(i)</sub>); and

"**Vanilla Call Spread Rate**" means:

Constant Percentage<sub>(i)</sub>+Gearing<sub>(i)</sub> × Min(Max(Coupon Value<sub>(i)</sub> - Strike Percentage<sub>(i)</sub> +Spread<sub>(i)</sub>,Floor Percentage<sub>(i)</sub>);Cap Percentage<sub>(i)</sub>).

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

## 8. VALUES AND PERFORMANCE DEFINITIONS

### 8.1 Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts

#### (a) Basic Value Definitions

"**FX Value**" means, in respect of an Underlying Reference and a day:

- (a) Underlying Reference FX Level for such day divided by Underlying Reference FX Strike Level; or
- (b) if Underlying Reference FX Hedged Value is specified in the applicable Final Terms, Underlying Reference FX Hedged Value for such day divided by Underlying Reference FX Strike Level;

"**Underlying Reference Closing Price Value**" means, in respect of a MFP Valuation Date, the product of the Underlying Reference Closing Price Value Percentage and:

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- (a) if the relevant Underlying Reference is an Index, the Closing Level;
- (b) if the relevant Underlying Reference is a Share, the Closing Price or the Italian Securities Reference Price or the Settlement Price, as specified in the applicable Final Terms;
- (c) if the relevant Underlying Reference is an ETI, the Closing Price or the Settlement Price, as specified in the applicable Final Terms;
- (d) if the relevant Underlying Reference is a Commodity or a Commodity Index, the Relevant Price;
- (e) if the relevant Underlying Reference is a Fund, the NAV per Fund Share;
- (f) if the relevant Underlying Reference is a Currency or Future, the Settlement Price;
- (g) if the relevant Underlying Reference is an Underlying Interest Rate, the Underlying Reference Rate;
- (h) if the relevant Underlying Reference is an Inflation Index, the Relevant Level; or
- (i) if the relevant Underlying Reference is a Debt Instrument, the Settlement Price,

in each case in respect of such day;

**"Underlying Reference Closing Price Value Percentage"** means 100% unless otherwise specified in the applicable Final Terms;

**"Underlying Reference FX Level"** means, in respect of an Underlying Reference and a day, the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms for such Underlying Reference on such day;

**"Underlying Reference FX Strike Level"** means in respect of an Underlying Reference:

- (a) the rate specified as such in the applicable Final Terms; or
- (b) if FX Closing Level is specified as applicable in the applicable Final Terms, the Underlying Reference FX Level for such Underlying Reference on the Strike Date; or
- (c) if FX Maximum Level is specified as applicable in the applicable Final Terms, the greatest Underlying Reference FX Level for such Underlying Reference for all the Strike Days in the Strike Period; or
- (d) if FX Minimum Level is specified as applicable in the applicable Final Terms, the lowest Underlying Reference FX Level for such Underlying Reference for all the Strike Days in the Strike Period; or

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- (e) if FX Average Level is specified as applicable in the applicable Final Terms, the arithmetic average of the Underlying Reference FX Levels for such Underlying Reference for all the Strike Days in the Strike Period; and

**"Underlying Reference Strike Price"** means, in respect of an Underlying Reference:

- (i) the amount specified as such in the applicable Final Terms; or
- (ii) if Strike Price Closing Value is specified as applicable in the applicable Final Terms, the Underlying Reference Closing Price Value for such Underlying Reference on the Strike Date; or
- (iii) if the Notes are Share Linked Notes and if "Punctual Underlying Reference Strike Price" is indicated as applicable in the applicable Final Terms, the official closing price of such Share on the Strike Date as determined by the Calculation Agent, subject as provided in Share Linked Note Condition 3 (*Potential Adjustment Events*) and Share Linked Note Condition 5 (*Extraordinary Events*) (as amended where "GDR/ADR" is specified as applicable); or
- (iv) if Strike Price Maximum Value is specified as applicable in the applicable Final Terms, the greatest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period; or
- (v) if Strike Price Minimum Value is specified as applicable in the applicable Final Terms, the lowest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period; or
- (vi) if Strike Price Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Underlying Reference Closing Price Values for such Underlying Reference for all the Strike Days in the Strike Period; or
- (vii) if Barrier Strike Price Closing Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the Underlying Reference Closing Price Value for such Underlying Reference on the Strike Date and (y) the Barrier Percentage Strike Price; or
- (viii) if Barrier Strike Price Maximum Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the greatest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period and (y) the Barrier Percentage Strike Price; or
- (ix) if Barrier Strike Price Minimum Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the lowest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period and (y) the Barrier Percentage Strike Price; or

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- (x) if Barrier Strike Price Average Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the arithmetic average of the Underlying Reference Closing Price Values for such Underlying Reference for all the Strike Days in the Strike Period and (y) the Barrier Percentage Strike Price.

(b) **Mono Underlying Reference Value Definitions**

**"Underlying Reference Performance"** means, in respect of an Underlying Reference and a MFP Valuation Date, (a) the Underlying Reference Value for such Underlying Reference in respect of such day minus (b) Underlying Reference Performance Percentage or (c) Underlying Reference Performance Percentage minus (d) the Underlying Reference Value for such Underlying Reference in respect of such day;

**"Underlying Reference Performance Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Underlying Reference Restrike Performance"** means, in respect of an Underlying Reference and a MFP Valuation Date (a) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such day (ii) divided by the Underlying Reference Closing Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date (b) less Underlying Reference Restrike Performance Percentage or (c) Underlying Reference Restrike Performance Percentage minus (d) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such day (ii) divided by the Underlying Reference Closing Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date. Provided that in each case, the Underlying Reference Restrike Performance will be determined starting from the N-th MFP Valuation Date immediately following the first occurring MFP Valuation Date.

**"Underlying Reference Restrike Performance Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Underlying Reference EndDay Closing Price Value"** means, in respect of an Underlying Reference and a MFP Valuation Date, the Underlying Reference Closing Price Value for such Underlying Reference on the date (the **"MFP EndDay Valuation Date"**) falling nEnd days after such MFP Valuation Date;

**"Underlying Reference Intraday Price Value"** means:

- (a) if the relevant Underlying Reference is an Index, the Intraday Level; or
- (b) if the relevant Underlying Reference is a Share, an ETI, a Commodity or a Commodity Index, the Intraday Price;

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**"Underlying Reference Intraday Value"** means, in respect of an Underlying Reference and a MFP Valuation Date, (a) (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the relevant Underlying Reference Strike Price, and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value;

**"Underlying Reference Intraday Performance"** means, in respect of an Underlying Reference and a MFP Valuation Date, (a) (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the relevant Underlying Reference Strike Price, minus the Underlying Reference Intraday Performance Percentage and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value; or (a) the Underlying Reference Intraday Performance Percentage minus (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the relevant Underlying Reference Strike Price and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value;

**"Underlying Reference Intraday Performance Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Underlying Reference Restrike Value"** means, in respect of an Underlying Reference and a MFP Valuation Date (a) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such day divided by (b) the Underlying Reference Closing Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date. Provided that the Underlying Reference Restrike Value will be determined starting from the N-th MFP Valuation Date immediately following the first occurring MFP Valuation Date.

**"Underlying Reference Extended Restrike Value"** means, in respect of an Underlying Reference and MFP Valuation Period (a) the Underlying Reference Closing Price Value for such Underlying Reference in respect of a MFP Valuation Date within such MFP Valuation Period divided by (b) the Underlying Reference Closing Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date within such MFP Valuation Period. Provided that the Underlying Reference Extended Restrike Value will be determined starting from the N-th MFP Valuation Date within such MFP Valuation Period immediately following the first occurring MFP Valuation Date within such MFP Valuation Period.

**"Underlying Reference Intraday Restrike Value"** means, in respect of an Underlying Reference and a MFP Valuation Date, (a) (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the Underlying Reference Intraday Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date, and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value. Provided that the Underlying Reference Intraday Restrike Value will be determined starting from the N-th MFP Valuation Date immediately following the first occurring MFP Valuation Date.



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**"Underlying Reference Extended Intraday Restrike Value"** means, in respect of an Underlying Reference and MFP Valuation Period (a) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of a MFP Valuation Date within such MFP Valuation Period divided by (b) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date within such MFP Valuation Period. Provided that the Underlying Reference Extended Intraday Restrike Value will be determined starting from the N-th MFP Valuation Date within such MFP Valuation Period immediately following the first occurring MFP Valuation Date within such MFP Valuation Period.

**"N-th"** means the ordinal number specified as such in the applicable Final Terms

**"Lowest Underlying Reference Restrike Value"** means, in respect of an Underlying Reference and a MFP Valuation Period, the lowest (a) Underlying Reference Restrike Value or (b) Underlying Reference Extended Restrike Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period.

**"Lowest Underlying Reference Restrike Intraday Value"** means, in respect of an Underlying Reference and a MFP Valuation Period, the lowest (a) Underlying Reference Restrike Intraday Value or (b) Underlying Reference Extended Restrike Intraday Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period;

**"Greatest Underlying Reference Restrike Value"** means, in respect of an Underlying Reference and a MFP Valuation Period, the highest (a) Underlying Reference Restrike Value or (b) Underlying Reference Extended Restrike Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period.

**"Greatest Underlying Reference Restrike Intraday Value"** means, in respect of an Underlying Reference and a MFP Valuation Period, the highest (a) Underlying Reference Restrike Intraday Value or (b) Underlying Reference Extended Restrike Intraday Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period;

**"Underlying Reference StartDay Closing Price Value"** means, in respect of an Underlying Reference and a MFP Valuation Date, the Underlying Reference Closing Price Value for such Underlying Reference on the date (the **"MFP StartDay Valuation Date"**) falling nStart days prior to such MFP Valuation Date;

**"Underlying Reference TOM Restrike Value"** means, in respect of an Underlying Reference and a MFP Valuation Date (a) the Underlying Reference EndDay Closing Price Value for such Underlying Reference in respect of such day divided by (b) Underlying Reference StartDay Closing Price Value for such Underlying Reference in respect of such day;

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**"Underlying Reference TOM Value"** means, in respect of an Underlying Reference and a MFP Valuation Date, the product of all Underlying Reference TOM Restrike Values for all MFP Valuation Dates prior to and including such MFP Valuation Date in respect of an Underlying Reference; and

**"Underlying Reference Value"** means, in respect of an Underlying Reference and a MFP Valuation Date, (a) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the relevant Underlying Reference Strike Price (expressed as a percentage) and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value (expressed as a percentage) and (c) if Fund Linked Notes is specified as applicable in the applicable Final Terms, less, if Fund Linked Notes Fees Provisions are specified as applicable in the relevant Final Terms, the Aggregate Fund Linked Notes Fees Percentage multiplied by the Fund Linked Notes Fees Factor.

If Underlying Reference Inverse Value is specified as applicable in the applicable Final Terms, Underlying Reference Value shall mean, in respect of an Underlying Reference and a MFP Valuation Date, (a) (i) the relevant Underlying Reference Strike Price (ii) divided by the Underlying Reference Closing Price Value for such Underlying Reference in respect of such MFP Valuation Date (expressed as a percentage) and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value (expressed as a percentage) and (c) if Fund Linked Notes is specified as applicable in the applicable Final Terms, less, if Fund Linked Notes Fees Provisions are specified as applicable in the relevant Final Terms, the Aggregate Fund Linked Notes Fees Percentage multiplied by the Fund Linked Notes Fees Factor.

If Generic Underlying Reference Value is specified as applicable in the applicable Final Terms, Underlying Reference Value shall mean, in respect of an Underlying Reference and a MFP Valuation Date, Underlying Reference Value Percentage minus or plus (a) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the relevant Underlying Reference Strike Price (expressed as a percentage) and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value (expressed as a percentage) and (c) if Fund Linked Notes is specified as applicable in the applicable Final Terms, less, if Fund Linked Notes Fees Provisions are specified as applicable in the relevant Final Terms, the Aggregate Fund Linked Notes Fees Percentage multiplied by the Fund Linked Notes Fees Factor. If Generic Inverse Underlying Reference Value is specified as applicable in the applicable Final Terms, Underlying Reference Value shall mean, in respect of an Underlying Reference and a MFP Valuation Date, Underlying Reference Value Percentage minus or plus (a) (i) the relevant Underlying Reference Strike Price (ii) divided by the Underlying Reference Closing Price Value for such Underlying Reference in respect of such MFP Valuation Date (expressed as a percentage) and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value (expressed as a percentage) and (c) if Fund Linked Notes is specified as applicable in the applicable Final Terms, less, if Fund Linked Notes Fees Provisions are specified as applicable in the relevant Final Terms, the Aggregate Fund Linked Notes Fees Percentage multiplied by the Fund Linked Notes Fees Factor.

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“**Aggregate Fund Linked Notes Fees Percentage**” means the sum of the Fund Linked Notes Fees Percentages calculated in respect of all Calculation Periods;

"**Fund Linked Notes Fees Percentage**" means the rate (expressed as a percentage) calculated by the Calculation Agent in accordance with the following formula and being equal to the rate of interest that would accrue during each Calculation Period falling during the period specified in the applicable Final Terms calculated on the basis that such rate would apply to and be payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.:

Fund Linked Fees Notes Percentage = [Floating Rate + Spread] x Day Count Fraction

For these purposes:

- A) the "**Effective Date**" is as specified in the applicable Final Terms;
- B) the "**Termination Date**" is as specified in the applicable Final Terms;
- C) the "**Floating Rate Payer Payment Date**" is as specified in the applicable Final Terms;
- D) the "**Floating Rate Option**" is as specified in the applicable Final Terms;
- E) the "**Spread**" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- F) the "**Floating Rate Day Count Fraction**" is as specified in the applicable Final Terms, or if not so specified Actual/360;
- G) the "**Business Day Convention**" is as specified in the applicable Final Terms, or if not so specified Modified Following;
- H) the "**Reset Date**" means each Floating Rate Payer Payment Date or as specified in the applicable Final Terms;
- I) "**Calculation Period**" means each consecutive period each commencing on and including a Floating Rate Payer Payment Date to but excluding the following Floating Rate Payer Payment Date except that the first Calculation Period shall start on the Effective Date and the last Calculation Period shall end on the Termination Date or as otherwise specified in the Final Terms.

"**Underlying Reference Value Percentage**" means the percentage specified as such in the applicable Final Terms.

"**Fund Linked Notes Fees Factor**" is as defined in the relevant Final Terms.

### (c) **Multi Underlying Reference Value Definitions**

"**Basket Value**" means, in respect of a MFP Valuation Date or a Fixing Date, the sum of the values calculated for each Underlying Reference in the Basket as (a) the Underlying Reference Value for such

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Underlying Reference in respect of such MFP Valuation Date or Fixing Date multiplied by (b) the relevant Underlying Reference Weighting;

**"Basket Performance"** means, in respect of a MFP Valuation Date or a Fixing Date, the sum of the values calculated for each Underlying Reference in the Basket as (i) (a) the Underlying Reference Value for such Underlying Reference in respect of such MFP Valuation Date or Fixing Date multiplied by (b) the relevant Underlying Reference Weighting minus the Basket Performance Percentage or (ii) the Basket Performance Percentage minus (a) the Underlying Reference Value for such Underlying Reference in respect of such MFP Valuation Date or Fixing Date multiplied by (b) the relevant Underlying Reference Weighting;

**"Basket Performance Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Basket Modified Performance"** means, in respect of a MFP Valuation Date or a Fixing Date, the sum of the values calculated for each Underlying Reference in the Basket as the (a) the Modified Underlying Percentage or the Underlying Reference Value for such Underlying Reference in respect of such MFP Valuation Date or Fixing Date depending on the relevant Ranking and by (b) the relevant Underlying Reference Weighting;

**"Modified Underlying Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Best Intraday Value"** means, in respect of a MFP Valuation Date, the highest Underlying Reference Intraday Value for any Underlying Reference in the Basket in respect of such MFP Valuation Date;

**"Best Value"** means, in respect of a MFP Valuation Date, the highest Underlying Reference Value for any Underlying Reference in the Basket in respect of such MFP Valuation Date;

**"Rainbow Value"** means, in respect of a MFP Valuation Date, the sum of the values calculated for each Underlying Reference in the Basket as (a) the Ranked Value for such Underlying Reference in respect of such MFP Valuation Date multiplied by (b) the relevant Underlying Reference Weighting;

**"Ranked Value"** means, in respect of a MFP Valuation Date, the Underlying Reference Value in respect of the Underlying Reference with the Ranking in respect of such MFP Valuation Date set out in the applicable Final Terms;

**"Ranking"** means, in respect of a MFP Valuation Date, the ordinal positioning of each Underlying Reference by Underlying Reference Value (a) from lowest Underlying Reference Value to greatest Underlying Reference Value in respect of such MFP Valuation Date or (b) from greatest Underlying Reference Value to lowest Underlying Reference Value in respect of such MFP Valuation Date, as set out in the applicable Final Terms;

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**"Worst Intraday Value"** means, in respect of a MFP Valuation Date, the lowest Underlying Reference Intraday Value for any Underlying Reference in respect of such MFP Valuation Date;

**"Worst Value"** means, in respect of a MFP Valuation Date, the lowest Underlying Reference Value for any Underlying Reference in the Basket in respect of such MFP Valuation Date.

**"Best Click Value"** means, in respect of a MFP Valuation Date, the highest Underlying Reference Value for any Underlying Reference in the Basket in respect of such MFP Valuation Date in relation to which a Click Event has not occurred (x) on a Click Valuation Date preceeding the relevant MFP Valuation Date or (y) in respect of a Click Valuation Period, as specified in the applicable Final Terms.

**"Worst Click Value"** means, in respect of a MFP Valuation Date, the lowest Underlying Reference Value for any Underlying Reference in the Basket in respect of such MFP Valuation Date in relation to which a Click Event has not occurred (x) on a Click Valuation Date preceeding the relevant MFP Valuation Date or (y) in respect of a Click Valuation Period, as specified in the applicable Final Terms.

**"Click Event"** means that the Click Value is (a) "greater than", (b) "equal to or greater than", (c) "less than" (d) "less than or equal to", the Click Level or (e) "within" the Click Range Level, or (f) "outside" the Click Range Level, in each case as specified in the applicable Final Terms, (x) on a Click Valuation Date or (y) in respect of a Click Valuation Period, as specified in the applicable Final Terms;

**"Click Level"** means the number, amount, level or percentage specified as such in the applicable Final Terms;

**"Click Range Level"** means the range of levels specified as such or otherwise determined in the applicable Final Terms;

**"Click Value"** means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

**"Click Valuation Date"** means each Averaging Date, Pricing Date, Calculation Date, Underlying Interest Determination Date, Settlement Price Date and/or each day, all specified as such in the applicable Final Terms; and

**"Click Valuation Period"** means each period specific as such in the applicable Final Terms.

(d) **Underlying Reference Volatility Hedged Value**

**"Underlying Reference Volatility Hedged Value"** means, in respect of an ACT Day, the rate determined by the Calculation Agent in accordance with the following formula:

*Underlying Reference Volatility Hedged Value<sub>t</sub>*

$$= \text{Underlying Reference Volatility Hedged Value}_{t-1} \times \left[ 1 + W_{t-1} \left( \frac{\text{BasketER}_t}{\text{BasketER}_{t-1}} - 1 \right) \right] \\ + (1 - W_{t-1}) \times \left( \text{Leverage Rate}_{t-1} \times \frac{\text{Act}_{(t-1,t)}}{360} \right) \times \left[ 1 - AF \times \frac{\text{Act}_{(t-1,t)}}{360} \right]$$

provided that the Underlying Reference Volatility Hedged Value on the Strike Date is Underlying Reference Volatility Hedged Value<sub>0</sub>.

(e) **Underlying Reference Volatility Hedged Value Definitions**

"**ACT Day**" or "**t**" means each day that is an Underlying Reference Valuation Day and a Strategy Business Day.

"**Act<sub>(t-1,t)</sub>**" means, in respect of an ACT Day, the number of calendar days from (but excluding) the ACT Day immediately preceding such ACT Day to (and including) such ACT Day.

"**AF**" means the percentage specified as such in the applicable Final Terms.

"**Basket<sub>t-s</sub><sup>t\*</sup>**" means a hypothetical basket of Underlying References, which the Calculation Agent will use to determine the volatility of the Basket over the preceding x ACT Days where Vol20<sub>t</sub> applies or the preceding x ACT Days where Vol60<sub>t</sub> applies and is calculated in accordance with the following formula:

$$\text{Basket}_{t-s}^{t*} = \sum_{k=1}^n NS_k^t \times \text{Level}_{k,t-s}$$

"**BasketES<sub>0</sub>**" means 1.

"**BasketES<sub>t</sub>**" means, in respect of an ACT Day, the level determined by the Calculation Agent in accordance with the following formula:

$$\text{BasketER}_t = \text{BasketER}_{t-1} \times \left[ \frac{\text{Basket}_t}{\text{Basket}_{t-1}} - \text{Reference Rate}_{t-1} \times \frac{\text{Act}_{(t-1,t)}}{360} \right]$$

provided that BasketES<sub>t</sub> for the Initial ACT Day will be BasketES<sub>0</sub>.

"**BasketES<sub>t-1</sub>**" means, in respect of an ACT Day, the BasketES<sub>t</sub> for the ACT Day immediately preceding such day.

"**Basket<sub>t</sub>**" means, in respect of an ACT Day, the level determined by the Calculation Agent in accordance with the following formula:

$$\text{Basket}_t = \text{Basket}_{t-1} \times \left[ 1 + \sum_{k=1}^n P_k \left( \frac{\text{Level}_{k,t}}{\text{Level}_{k,t-1}} - 1 \right) \right]$$

provided that Basket<sub>t</sub> for the Initial ACT Day will be Basket Level<sub>0</sub>.

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"**Basket<sub>t-1</sub>**" means, in respect of an ACT Day, Basket<sub>t</sub> for the ACT Day immediately preceding such day.

"**Basket Level<sub>0</sub>**" means 1.

"**Initial ACT Day**" means the day falling y ACT Days immediately preceding the Strike Date or if that is not an ACT Day and (i) if Preceding ACT Day is specified in the applicable Final Terms, the immediately preceding ACT Day or (ii) if Succeeding ACT Day is specified in the applicable Final Terms, the immediately succeeding ACT Day.

"**Level<sub>k,t</sub>**" means, in respect of an Underlying Reference and an ACT Day, the Underlying Reference Closing Price Value in respect of such day, provided that, if there is no Underlying Reference Closing Price Value in respect of such day or such day is a Disrupted Day (in the case of Index Linked Notes, Share Linked Notes, ETI Linked Notes, Debt Linked Notes, Currency Linked Notes or Futures Linked Notes) or a Commodity Disrupted Day (in the case of Commodity Linked Notes) (such day a "**Disrupted Level Day**"); and:

- (i) if "Following ACT Day" is specified in the applicable Final Terms, Level<sub>k,t</sub> will be the Underlying Reference Closing Price Value for the next succeeding ACT Day which is not a Disrupted Level Day; or
- (ii) if "Preceding ACT Day" is specified in the applicable Final Terms, Level<sub>k,t</sub> will be the Underlying Reference Closing Price Value for the immediately preceding ACT Day which is not a Disrupted Level Day.

"**Level<sub>k,t-1</sub>**" means, in respect of an Underlying Reference and an ACT Day, the Underlying Reference Closing Price Value on the immediately preceding ACT Day.

"**Leverage Floating Rate**" means, in respect of an ACT Day, the Leverage Floating Rate Option in respect of the Rate Calculation Date for such day appearing on the Leverage Floating Rate Option Page at the Leverage Floating Rate Option Calculation Time or if the relevant rate does not appear on such page at such time, the Leverage Floating Rate Option for such ACT Day shall be determined by the Calculation Agent at such time and from such source(s) as it may select acting in good faith and in a commercially reasonable manner.

"**Leverage Floating Rate Option**" means the relevant rate and designated maturity specified as such in the applicable Final Terms.

"**Leverage Floating Rate Option Page**" means the page or price source specified as such in the applicable Final Terms.

"**Leverage Floating Rate Option Time**" means the time specified as such in the applicable Final Terms.

"**Leverage Rate<sub>t-1</sub>**" means, in respect of an ACT Day, the fixed rate specified in the applicable Final Terms or the Leverage Floating Rate for such day as specified in the applicable Final Terms.

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"**ln**" means natural logarithm.

"**Max Exposure**" means the percentage specified as such in the applicable Final Terms.

"**Min Exposure**" means the percentage specified as such in the applicable Final Terms.

"**n**" means the number of Underlying References in the Basket.

"**NSk<sub>t</sub>**" means, in respect of an Underlying Reference and an ACT Day, the amount determined by the Calculation Agent in accordance with the following formula:

$$NS_k^t = P_k \times \frac{Basket_t}{Level_{k,t}}$$

"**P<sub>k</sub>**" means the relevant Underlying Reference Weighting.

"**Rate Calculation Date**" means, in respect of an ACT Day, the first, second or third ACT Day preceding such day, as specified in the applicable Final Terms.

"**Reference Floating Rate**" means, in respect of an ACT Day, the Reference Floating Rate Option in respect of the Rate Calculation Date for such day appearing on the Reference Floating Rate Option Page at the Reference Floating Rate Option Calculation Time or if the relevant rate does not appear on such page at such time, the Reference Floating Rate Option for such ACT Day shall be determined by the Calculation Agent at such time and from such source(s) as it may select acting in good faith and in a commercially reasonable manner.

"**Reference Floating Rate Option**" means the relevant rate and designated maturity specified as such in the applicable Final Terms.

"**Reference Floating Rate Option Page**" means the page or price source specified as such in the applicable Final Terms.

"**Reference Floating Rate Option Time**" means the time specified as such in the applicable Final Terms.

"**Reference Rate<sub>t-1</sub>**" means, in respect of an ACT Day, the fixed rate specified in the applicable Final Terms or the Reference Floating Rate for such day as specified in the applicable Final Terms.

"**Strategy Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Strategy Business Day Centre(s).

"**Strategy Business Day Centre(s)**" means the place(s) specified as such in the applicable Final Terms.

"**Target Volatility**" means the percentage specified as such in the applicable Final Terms.



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"**Tolerance**" means the percentage specified as such in the applicable Final Terms.

"**Underlying Reference Valuation Date**" means a calendar day, Business Day, Exchange Business Day, Hybrid Business Day, Scheduled Trading Day, Fund Business Day, Settlement Price Date, MFP Valuation Date or other day specified as such in the applicable Final Terms.

"**Underlying Reference Volatility Hedged Value<sub>0</sub>**" means 1.

"**Underlying Reference Volatility Hedged Value<sub>t-1</sub>**" means, in respect of an ACT Day, the Underlying Reference Volatility Hedged Value on the ACT Day immediately preceding such day.

"**W<sub>0</sub>**" means the percentage specified as such in the applicable Final Terms.

"**W<sub>t</sub>**" means, in respect of an ACT Day, the percentage determined by the Calculation Agent in accordance with the following formula:

$$W_t = \text{Min}(\text{Max Exposure}; W_t^*)$$

provided that W<sub>t</sub> on the Strike Date is W<sub>0</sub>.

"**W<sub>t</sub><sup>Target</sup>**" means, in respect of an ACT Day, the percentage determined by the Calculation Agent in accordance with the following formula:

$$W_t^{\text{Target}} = \text{Max} \left[ \text{Min} \left( \text{Max Exposure}; \frac{\text{Target Volatility}}{\text{Max}(\text{Vol}_{x_t}; \text{Vol}_{y_t})} \right); \text{Min Exposure} \right]$$

provided that W<sub>t</sub><sup>Target</sup> on the Strike Date is W Target<sub>0</sub>.

"**W<sub>t-1</sub><sup>Target</sup>**" means, in respect of an ACT Day, W<sub>t</sub><sup>Target</sup> on the ACT Day immediately preceding such day.

"**W<sub>t-1</sub>**" means, in respect of an ACT Day, W<sub>t</sub> on the ACT Day immediately preceding such day.

If Lag 1 is specified in the applicable Final Terms and:

- (i)  $W_t > (1 + \text{Tolerance}) \times W_t^{\text{Target}}$  then "**W<sub>t+1</sub><sup>\*</sup>**" means W<sub>t</sub><sup>Target</sup>,
- (ii)  $W_t < (1 - \text{Tolerance}) \times W_t^{\text{Target}}$  then "**W<sub>t+1</sub><sup>\*</sup>**" means W<sub>t</sub><sup>Target</sup>, or
- (iii) Otherwise, "**W<sub>t+1</sub><sup>\*</sup>**" means W<sub>t</sub>.

If Lag 2 is specified in the applicable Final Terms then "**W<sub>t+1</sub><sup>\*</sup> = W<sub>t+1</sub> = W<sub>0</sub>**" means the percentage specified as such in the applicable Final Terms.

If the weighting on the immediately following day ("**W<sub>t+1</sub><sup>\*</sup>**") is equal to W<sub>t</sub> and:

$$W_t > (1 + \text{Tolerance}) \times W_t^{\text{Target}} \text{ then } \text{"W}_{t+2}^{\text{*}} \text{" means } W_t^{\text{Target}},$$

$W_t < (1 - Tolerance) \times W_t^{Target}$  then " $W^*_{t+2}$ " means  $W_t^{Target}$ , or

Otherwise, " $W^*_{t+2}$ " means  $W_{t+1}$ .

If  $W_{t+1} \neq W_t$  and:

(i)  $W_t > (1 + Tolerance) \times W_{t-1}^{Target}$  then " $W^*_{t+2}$ " means  $W_t^{Target}$ ;

(ii)  $W_t < (1 - Tolerance) \times W_{t-1}^{Target}$  then " $W^*_{t+2}$ " means  $W_t^{Target}$ , or

(iii) Otherwise, " $W^*_{t+2}$ " means  $W_{t+1}$ .

## 8.2 Greatest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts

### (a) Mono Underlying Reference Value Definitions

"**Greatest Underlying Reference Intraday Value**" means, in respect of an Underlying Reference and a MFP Valuation Period, the highest Underlying Reference Intraday Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period; and

"**Greatest Underlying Reference Value**" means, in respect of an Underlying Reference and a MFP Valuation Period, the highest Underlying Reference Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period.

### (b) Multi Underlying Reference Value Definitions

"**Greatest Basket Value**" means, in respect of a MFP Valuation Period, the highest Basket Value for all the MFP Valuation Dates in such MFP Valuation Period;

"**Greatest Best Intraday Value**" means, in respect of a MFP Valuation Period, the highest Best Intraday Value for all the MFP Valuation Dates in such MFP Valuation Period;

"**Greatest Best Value**" means, in respect of a MFP Valuation Period, the highest Best Value for all the MFP Valuation Dates in such MFP Valuation Period;

"**Greatest Rainbow Value**" means, in respect of a MFP Valuation Period, the highest for all MFP Valuation Dates in such MFP Valuation Period of the relevant Rainbow Values;

"**Greatest Underlying Reference Value (Basket)**" means, in respect of an Underlying Reference in the Basket and a MFP Valuation Period, the highest Underlying Reference Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period;

"**Greatest Worst Value**" means, in respect of a MFP Valuation Period, the highest Worst Value for all the MFP Valuation Dates in such MFP Valuation Period; and

**"Worst Greatest Value"** means, in respect of a MFP Valuation Period, the lowest Greatest Underlying Reference Value (Basket) for any Underlying Reference in the Basket in respect of such MFP Valuation Period.

8.3 **Lowest Period Values for MFP Interest Rates, Payouts and Entitlement Amounts**

(a) **Mono Underlying Reference Value Definitions**

**"Lowest Underlying Reference Intraday Value"** means, in respect of an Underlying Reference and a MFP Valuation Period, the lowest Underlying Reference Intraday Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period; and

**"Lowest Underlying Reference Value"** means, in respect of an Underlying Reference and a MFP Valuation Period, the lowest Underlying Reference Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period.

(b) **Multi Underlying Reference Value Definitions**

**"Lowest Basket Value"** means, in respect of a MFP Valuation Period, the lowest Basket Value for all the MFP Valuation Dates in such MFP Valuation Period;

**"Lowest Best Value"** means, in respect of a MFP Valuation Period, the lowest Best Value for all the MFP Valuation Dates in such MFP Valuation Period;

**"Lowest Rainbow Value"** means, in respect of a MFP Valuation Period, the lowest for all MFP Valuation Dates in such MFP Valuation Period of the relevant Rainbow Values;

**"Lowest Worst Intraday Value"** means, in respect of a MFP Valuation Period, the lowest Worst Intraday Value for all the MFP Valuation Dates in such MFP Valuation Period; and

**"Lowest Worst Value"** means, in respect of a MFP Valuation Period, the lowest Worst Value for all the MFP Valuation Dates in such MFP Valuation Period.

8.4 **Average Values for MFP Interest Rates, Payouts and Entitlement Amounts**

(a) **Mono Underlying Reference Value Definitions**

**"Average Underlying Reference TOM Value"** means, in respect of an Underlying Reference and a MFP Valuation Period, the arithmetic average of the Underlying Reference TOM Values for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period; and

**"Average Underlying Reference Value"** means, in respect of an Underlying Reference and a MFP Valuation Period, the arithmetic average of the Underlying Reference Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period;

(b) **Multi Underlying Reference Value Definitions**

"**Average Basket Value**" means, in respect of a MFP Valuation Period, the arithmetic average of the Basket Values for all the MFP Valuation Dates in such MFP Valuation Period;

"**Average Best Value**" means, in respect of a MFP Valuation Period, the arithmetic average of the Best Values for all the MFP Valuation Dates in such MFP Valuation Period;

"**Average Rainbow Value**" means, in respect of a MFP Valuation Period, the arithmetic average for all MFP Valuation Dates in such MFP Valuation Period of the relevant Rainbow Values; and

"**Average Worst Value**" means, in respect of a MFP Valuation Period, the arithmetic average of the Worst Values for all the MFP Valuation Dates in such MFP Valuation Period.

8.5 **Weighted Average Values for MFP Interest Rates, Payouts and Entitlement Amounts**

(a) **Mono Underlying Reference Value Definitions**

"**Weighted Average Underlying Reference Value**" means, in respect of an Underlying Reference and a MFP Valuation Period, the sum of the values calculated for all the MFP Valuation Dates in such MFP Valuation Period as (a) the Underlying Reference Value for such Underlying Reference for such MFP Valuation Date (b) multiplied by the relevant MFP Date Weighting.

(b) **Multi Underlying Reference Value Definitions**

"**Weighted Average Basket Value**" means, in respect of a MFP Valuation Period, the sum of the values calculated for all the MFP Valuation Dates in such MFP Valuation Period as (a) the Basket Value for such MFP Valuation Date (b) multiplied by the relevant MFP Date Weighting;

"**Weighted Average Best Value**" means, in respect of a MFP Valuation Period, the sum of the values calculated for all the MFP Valuation Dates in such MFP Valuation Period as (a) the Best Value for such MFP Valuation Date (b) multiplied by the relevant MFP Date Weighting;

"**Weighted Average Rainbow Value**" means, in respect of a MFP Valuation Period, the sum of the values calculated for all MFP Valuation Dates in such MFP Valuation Period as (a) the relevant Rainbow Values (b) multiplied by the relevant MFP Date Weighting; and

"**Weighted Average Worst Value**" means, in respect of a MFP Valuation Period, the sum of the values calculated for all the MFP Valuation Dates in such MFP Valuation Period as (a) the Worst Value for such MFP Valuation Date (b) multiplied by the relevant MFP Date Weighting.

9. **VALUES**

Any value specified in the applicable Final Terms and used in the calculation of Interest Rate, Payout and/or Entitlement Amount or related provision may be subject to a cap of the Maximum Value and/or a floor of the Minimum Value, in each case specified in the applicable Final Terms.

#### 10. FORMULAS CONSTITUENTS AND COMPLETION

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

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

Any number or percentage to be specified in the applicable Final Terms for the purposes of these Formulas Conditions may be positive or negative, as specified in the applicable Final Terms.

#### 11. CALCULATION AGENT

Unless otherwise specified, the calculation or determination of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion required or permitted to be determined, formed or exercised pursuant to these Formulas Conditions will be calculated, determined, formed or exercised by the Calculation Agent.

Any calculation, determination, formation of any opinion or exercise of any discretion by the Calculation Agent pursuant to the Notes shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor and the Noteholders. Whenever the Calculation Agent is required to make any determination it may, to the extent permitted by any applicable law, *inter alia*, decide issues of construction and legal interpretation. In performing its duties pursuant to the Notes, the Calculation Agent shall, unless otherwise specified, 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 making any determination under the Notes shall not affect the validity or binding nature of any later performance or exercise of such obligation or determination, and none of the Calculation Agent, the Issuer or the Guarantor shall, in the absence of wilful misconduct and gross negligence, bear any liability (to the extent permitted by any applicable law) in respect of, or consequent upon, any such delay, deferral or forbearance.

## ANNEX 2

## ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Index Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Index Linked Notes set out below (the "**Index Linked Note Conditions**"), together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Index Linked Note Conditions, the Index Linked Note provisions shall prevail.

**1. Definitions**

"**Basket of Indices**" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant securities;

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"**Closing Level**" means, in respect of an Index and a Scheduled Trading Day, either (i) the official closing level of such Index or (ii) the exchange delivery settlement price or its equivalent from exchange to exchange on such day, as indicated in the Final Terms and as determined by the Calculation Agent, subject as provided in Index Linked Note Condition 3 (*Adjustments to an Index*);

"**Component Security**" means, in respect of a Composite Index, each component security of such Index;

"**Component Security Index**" means any Index specified as such in the applicable Final Terms or, if not so specified, any Index which the Calculation Agent determines to be such an Index;

"**Composite Index**" means any Index which is either a Component Security Index or a Multi-Exchange Index;

"**Disrupted Day**" means:

- (a) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and

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- (b) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;

**"Early Closure"** means:

- (a) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and
- (b) in the case of an Index which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

**"Exchange"** means:

- (a) in the case of a Composite Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent; and
- (b) in the case of any Index which is not a Composite Index, in respect of such Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);

**"Exchange Business Day"** means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

**"Exchange Business Day (All Indices Basis)"** means any Scheduled Trading Day on which

- (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, in respect of such Indices are open for trading during their respective regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time; or
- (b) in respect of any Composite Indices:
  - (i) the Index Sponsor publishes the level of such Composite Indices and
  - (ii) either:
    - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Indices is open for trading during its regular trading session; or
    - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Indices is open for trading during its regular trading session

in each case, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

**"Exchange Business Day (Per Index Basis)"** means, in respect of an Index, any Scheduled Trading Day on which:

- (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during their regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or
- (b) in respect of a Composite Index:
  - (i) the relevant Index Sponsor publishes the level of such Composite Index; and
  - (ii) either:
    - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Index is open for trading during its regular trading session; or
    - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Index is open for trading during its regular trading session.



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in each case, notwithstanding such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

**"Exchange Business Day (Single Index Basis)"** means any Scheduled Trading Day on which:

- (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during their regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time; or
- (b) in respect of a Composite Index:
  - (i) the relevant Index Sponsor publishes the level of such Composite Index; and
  - (ii) either:
    - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Index is open for trading during its regular trading session; or
    - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Index is open for trading during its regular trading session.

in each case, notwithstanding such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

**"Exchange Disruption"** means:

- (a) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

## ANNEX 2 – ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED NOTES

"**Index**" and "**Indices**" mean, subject to adjustment in accordance with this Annex 2 (*Additional Terms and Conditions for Index Linked Notes*), the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"**Index Correction Period**" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"**Index Sponsor**" means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms;

"**Intraday Level**" means, in respect of an Index and any time on a Scheduled Trading Day, the level of such Index at such time on such day as determined by the Calculation Agent, subject as provided in Index Linked Note Condition 3 (*Adjustments to an Index*);

"**Multi-Exchange Index**" means any Index specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

"**Protected Amount**" means the amount specified as such in the applicable Final Terms;

"**Related Exchange**" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

"**Scheduled Trading Day**" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply;

"**Scheduled Trading Day (All Indices Basis)**" means any day on which:

- (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, in respect of such Indices are scheduled to be open for trading during their respective regular trading session(s); or

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- (b) in respect of any Composite Indices:
  - (i) the Index Sponsor is scheduled to publish the level of such Composite Indices; and
  - (ii) either:
    - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Indices is scheduled to be open for trading during its regular trading session; or
    - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Indices is scheduled to be open for trading during its regular trading session;

**"Scheduled Trading Day (Per Index Basis)"** means, in respect of an Index, any day on which:

- (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective regular trading session(s); or
- (b) in respect of a Composite Index:
  - (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index; and
  - (ii) either:
    - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Index is scheduled to be open for trading during its regular trading session; or
    - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Index is scheduled to be open for trading during its regular trading session;

**"Scheduled Trading Day (Single Index Basis)"** means any day on which:

- (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective regular trading session(s); or
- (b) in respect of a Composite Index:
  - (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index; and

- (ii) either:
  - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Index is scheduled to be open for trading during its regular trading session; or
  - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Index is scheduled to be open for trading during its regular trading session;

**"Settlement Cycle"** means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

**"Settlement Price"** means, unless otherwise stated in the applicable Final Terms, in relation to each Note, and subject to the provisions of this Annex 2 (*Additional Terms and Conditions for Index Linked Notes*) and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Index Linked Notes relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the official closing level or official opening level, as specified in the applicable Final Terms, for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Linked Notes relating to a single Index, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the official closing level or official opening level, as specified in the applicable Final Terms, of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

**"Settlement Price Date"** means the Strike Date, an Observation Date or the Valuation Date, as the case may be, or if the Notes are Single Final Payout - Leverage Factor Notes, an Exchange Business Day and the Valuation Date; and

**"Trading Disruption"** means:

- (a) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

## 2. Market Disruption

"Market Disruption Event" means:

- (a) in respect of a Composite Index either:
  - (i) A. the occurrence or existence, in respect of any Component Security, of:
    - (a) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
    - (b) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
    - (c) an Early Closure in respect of such Component Security; and
  - B. in respect of a Multi-Exchange Index only, the aggregate of all Component Notes in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period

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that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

In the case of a Multi-Exchange Index, for the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

### 3. Adjustments to an Index

#### 3.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

#### 3.2 Modification and Cessation of Calculation of an Index

If (a) on or prior to the Strike Date, the last Averaging Date, the last Observation Date or the last Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or

permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (b) on the Strike Date, an Averaging Date, an Observation Date or a Valuation Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then:

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant value, level or price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Strike Date, that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) the Calculation Agent may replace the relevant Index with a new similar index, multiplied, if need be by a linking coefficient to ensure continuity in the condition of the underlying of the Notes; or
- (iii) unless Delayed Redemption on Occurrence of Index Adjustment Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Note Condition 16 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note, being redeemed at an amount equal to the fair market value of such Note, as the case may be, taking into account the Index Adjustment Event, less, except in the case of Italian Listed Notes or if unless Unwind Costs are specified as not applicable in the applicable Final Terms, as applicable, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
- (iv) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Index Adjustment Event less, except in the case of Italian Listed Notes or if unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable

Final Terms and if greater, the Protected Amount (as specified in the applicable Final Terms);  
or

- (v) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Note and pay to each Noteholder an amount in respect of each Note, held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a);
- (vi) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b);
- (vii) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c); or
- (viii) if the Calculation Agent determines that such Index Adjustment Event constitutes a force majeure, and if Index Linked Note Condition 3.2(c)(vi) is specified in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder, which amount shall be equal to the fair market value of a Note, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption.

Notwithstanding the foregoing, the Calculation Agent will adjust any relevant terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes.

#### **4. Notice**

The Calculation Agent shall, as soon as practicable, notify the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), shall make available for inspection by Noteholders copies of any such determinations.



## 5. Correction of Index

If the level of the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected, except that any corrections published after the day which is three Business Days prior to a due date for payment under the Notes calculated by reference to the level of the Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

## 6. Futures Price Valuation

If "Futures Price Valuation" is specified as applicable in relation to an Index in the applicable Final Terms, in respect of such Index, the following provisions shall apply to these Index Linked Note Conditions:

**"First Traded Price"** means, in relation to each Cash Settled Note and subject to the provisions of this Annex 2 (*Additional Terms and Conditions for Index Linked Notes*):

- (a) in the case of Index Linked Notes relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the Actual First Traded Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on the relevant Settlement Price Date, multiplied by the relevant Weighting; and
- (b) in the case of Index Linked Notes relating to a single Index, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the Actual First Traded Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on the relevant Settlement Price Date.

**"Settlement Price"** means, in relation to each Note, and subject to the provisions of this Annex 2 (*Additional Terms and Conditions for Index Linked Notes*):

- (a) in the case of Index Linked Notes relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

- (b) in the case of Index Linked Notes relating to a single Index, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices) any constituent Index any reference to such Index or constituent Index in the definition of Scheduled Trading Day will be deemed not to apply and instead a Scheduled Trading Day must be a day on which the Official Settlement Price or, if First Traded Price Applicable is specified in the applicable Final Terms, the Actual First Traded Price, as applicable, is scheduled to be published by the relevant Futures or Options Exchange in relation to each such Index to which Futures Price Valuation applies.

Where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices) any constituent Index, an Exchange Business Day must be a day on which the relevant Futures or Options Exchange in relation to each such Index is open for trading during their regular trading session(s), notwithstanding any such Futures or Options Exchange closing prior to its scheduled weekday closing time on such Exchange Business Day, without regard to after hours or any other trading outside of the regular trading session hours.

The Disrupted Day provisions in the Base Conditions and/or these Index Linked Note Conditions will not apply in relation to any Index or (in the case of a Basket of Indices, any Index comprising the Basket of Indices) in respect of which Futures Price Valuation applies, unless (other than in the case Single Final Payout - Leverage Factor Notes ) there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, in which case the Disrupted Day provisions will apply to the relevant Index or constituent Index.

For these purposes:

**"Actual First Traded Price"** means the price at which the relevant Exchange-traded Contract is first traded on the relevant Futures or Options Exchange or its clearing house after 5:29:59 p.m. (Central European Time) (or any other time or timezone specified in the Final Terms) as appearing first on the list of prices for such time published on the Relevant Futures or Options Exchange Website (as specified in the applicable Final Terms) or the Relevant FTP Screen Page (as specified in the applicable Final Terms), as applicable, or, if such Relevant Futures or Options Exchange Website or Relevant FTP Screen Page is not available, such replacement website or page as the Calculation Agent shall select or, subject to Index Linked Note Condition 5.4 (*Non-Commencement or Discontinuance of an Exchange-traded Contract*), if the Relevant Futures or Options Exchange Website or Relevant FTP Screen Page is not available and the Calculation Agent determines that no replacement website or page exists or no such price is published after such time, the price determined by the Calculation Agent acting in good faith and in a commercially reasonable manner by reference to such sources as it considers appropriate.

**"Current Exchange-traded Contract"** means (a) if the Notes are not Rolling Futures Contract Notes, the Exchange-traded Contract and (b) if the Notes are Rolling Futures Contract Notes, the futures contract determined pursuant to Index Linked Note Condition 5.2 (*Rolling Futures Contract Notes*) below.

**"Exchange-traded Contract"** means, in relation to an Index, the futures or options contract(s) specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Notes are not Rolling Futures Contract Notes, the delivery or expiry month of such contract or (ii) if the Notes are Rolling Futures Contract Notes, the specified period of each such contract and the Futures Rollover Date.

**"Futures or Options Exchange"** means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms.

**"Futures Rollover Date"** means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent acting in good faith and a commercially reasonable manner within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

**"Non-Commencement or Discontinuance of an Exchange-traded Contract"** means there is no Official Settlement Price or, if First Traded Price Applicable is specified in the applicable Final Terms, the Actual First Traded Price, as applicable, as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to Valuation Date, Observation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Index.

**"Official Settlement Price"** means the official settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

**"Protected Amount"** means the amount, if any, specified as such in the applicable Final Terms;

## 7. **Rolling Futures Contract Notes**

If the applicable Final Terms specify that the Notes are "Rolling Futures Contract Notes", the Notes will be valued by reference to futures contracts relating to the Index that have delivery or expiry months that do not correspond with the term of the Notes. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current

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Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of 9.3 (*Adjustments to an Exchange-traded Contract*) or 9.4 (*Non-Commencement or Discontinuance of an Exchange-traded Contract*) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or, unless Related Hedging is specified as not applicable in the applicable Final Terms, at such time hedge the Issuer's obligations in respect of the Notes then:

unless Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note, being redeemed at an amount equal to the fair market value of such Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*);

if Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms); or

if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a);

if Market Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes

and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or

if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c); or

if the Calculation Agent determines that such Non-Commencement or Discontinuance of an Exchange-traded Contract constitutes a *force majeure*, and if Index Linked Note Condition 9.2(vi) is specified in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder, which amount shall be equal to the fair market value of a Note taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early settle the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption.

**8. Adjustments to an Exchange-traded Contract**

Without duplication of Index Linked Note Condition 3 (*Adjustments to an Index*) or Index Linked Note Condition 4 (*Correction of Index*) (which shall govern in the event of a conflict), in the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

**9. Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Official Settlement Price or Actual First Traded Price, as applicable, for any Valuation Date, Observation Date, Averaging Date or any other relevant date for valuation or observation, as the case may be, of the relevant Index shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange or, in the case of a Composite Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Observation Date, Averaging Date or other relevant date.

**10. Correction of the Official Settlement Price or Actual First Traded Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Notes, if the Official Settlement Price or Actual First Traded Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction is published by the relevant Futures or Options Exchange, (a) in respect of a Composite Index, no later than five Business Days following the

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date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the Official Settlement Price or Actual First Traded Price, as applicable, to be used shall be the Official Settlement Price or Actual First Traded Price, as applicable, as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

## ANNEX 3

## ADDITIONAL TERMS AND CONDITIONS FOR SHARE LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Share Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Share Linked Notes set out below (the "**Share Linked Note Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Share Linked Note Conditions, the Share Linked Note Conditions shall prevail.

**1. Definitions**

"**Basket Company**" means each company specified as such in the applicable Final Terms and "**Basket Companies**" means all such companies;

"**Basket of Shares**" means (a) a basket composed of Shares of each Basket Company specified in the applicable Final Terms in the weightings or numbers of Shares of each Basket Company specified in the applicable Final Terms or (b) a Relative Performance Basket;

"**China Connect Disruption**" means (a) any suspension of or limitation imposed on routing of orders (whether in respect of buy orders only, sell orders only or both buy and sell orders) through the China Connect Service, relating to the Share(s) on any relevant China Connect Exchange or (b) any event (other than a China Connect Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of the market participants in general to enter orders in respect of the Share(s) through the China Connect Service;

"**China Connect Early Closure**" means the closure on any Exchange Business Day of the China Connect Service prior to its Scheduled Closing Time unless such earlier closing time is announced by SEHK or any relevant China Connect Exchange, as the case may be, at least one hour prior to the earlier of (a) the actual closing time for routing orders through the China Connect Service on such Exchange Business Day and (b) the submission deadline for orders to be entered into the China Connect Service system for execution on any relevant China Connect Exchange at the Valuation Time on such Exchange Business Day;

"**China Connect Exchange**" means each of the Shanghai Stock Exchange, the Shenzhen Stock Exchange and any other exchange in mainland China eligible for providing the China Connect Service from time to time;

"**China Connect Service**" means the securities trading and clearing links programme developed by the China Connect Exchanges, SEHK, CSDCC and HKSCC, through which (a) SEHK and/or its affiliates provides order routing and other related services for certain eligible securities traded on any relevant China Connect Exchange and (b) CSDCC and HKSCC provides clearing, settlement, depository and other services in relation to such securities;

**"Clearance System"** means the principal domestic clearance system customarily used for settling trades in the relevant Share;

**"Clearance System Days"** means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

**"Closing Price"** means, in respect of a Share and a Scheduled Trading Day, the official closing price of such Share on such day as determined by the Calculation Agent, subject as provided in Share Linked Note Condition 3 (*Potential Adjustment Events*) and Share Linked Note Condition 5 (*Extraordinary Events*) (as amended where "GDR/ADR" or "Stapled Shares" is specified as applicable in the applicable Final Terms);

**"Disrupted Day"** means any Scheduled Trading Day on which (i) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session, (ii) a Market Disruption Event has occurred, or (iii) if "China Connect" is specified as applicable in the applicable Final Terms, the China Connect Service fails to open for routing orders during its regular order routing session;

**"Early Closure"** means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

**"Exchange"** means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

**"Exchange Business Day"** means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

**"Exchange Business Day (All Shares Basis)"** means, in respect of a Basket of Shares, any Scheduled Trading Day on which (a) each Exchange and each Related Exchange, if any, are open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time



### ANNEX 3 – ADDITIONAL TERMS AND CONDITIONS FOR SHARE LINKED NOTES

and (b) if “China Connect” is specified as applicable in the applicable Final Terms, the China Connect Service is open for routing orders in respect of all Shares comprised in the Basket of Shares and traded and cleared through the China Connect Service during its regular order routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time;

**"Exchange Business Day (Per Share Basis)"** means, in respect of a Share, any Scheduled Trading Day on which (a) the relevant Exchange and the relevant Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time and (b) if "China Connect" is specified as applicable in the applicable Final Terms in respect of such Share, the China Connect Service is open for routing orders in respect of such Share during its regular order routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time;

**"Exchange Business Day (Single Share Basis)"** means any Scheduled Trading Day on which (a) the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time and (b) if "China Connect" is specified as applicable in the applicable Final Terms, the China Connect Service is open for routing orders during its regular order routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time;

**"Exchange Disruption"** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share(s) on the Exchange or (b) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share(s) on any relevant Related Exchange;

**"Extraordinary Event Effective Date"** means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

**"Intraday Price"** means, in respect of a Share and any time on a Scheduled Trading Day, the published or quoted price of such Share at such time on such day as determined by the Calculation Agent, subject as provided in Share Linked Note Condition 3 (*Potential Adjustment Events*) and Share Linked Note Condition 5 (*Extraordinary Events*) (as amended where "GDR/ADR" or “Stapled Shares” is specified as applicable in the applicable Final Terms);

**“Italian Notes Reference Price”** means the *Prezzo di Riferimento*, which means, in relation to a Share and a Scheduled Trading Day, the price for such Share published by the Italian Stock Exchange at the close of trading for such day and having the meaning ascribed thereto in the Rules of the Market organised and managed by the Italian Stock Exchange, as such Rules may be amended by the Borsa Italiana S.p.A. from time to time;

**“Protected Amount”** means the amount specified as such in the applicable Final Terms;

**“Related Exchange”** means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, **“Related Exchange”** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

**“Relative Performance Basket”** means a basket composed of Shares of each Basket Company specified in the applicable Final Terms where no weighting shall be applicable and where the Cash Settlement Amount shall be determined by reference to the Share which is either (a) the best performing, or (b) the worst performing, in each case as specified in the applicable Final Terms;

**“Scheduled Trading Day”** means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply;

**“Scheduled Trading Day (All Shares Basis)”** means, in respect of a Basket of Shares, any day on which (a) each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s) and (b) if “China Connect” is specified as applicable in the applicable Final Terms, the China Connect Service is scheduled to be open for routing orders for its regular order routing sessions;

**“Scheduled Trading Day (Per Share Basis)”** means, in respect of a Share, any day on which (a) the relevant Exchange and the relevant Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading session(s) and (b) if “China Connect” is specified as applicable in the applicable Final Terms in respect of such Share, the China Connect Service is scheduled to be open for routing orders for its regular order routing sessions;

**“Scheduled Trading Day (Single Share Basis)”** means any day on which (a) the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s) and (b) if “China Connect” is specified as applicable in the applicable Final Terms, the China Connect Service is scheduled to be open for routing orders for its regular order routing sessions;

**“Settlement Cycle”** means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

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"**Settlement Price**" means, in relation to each Cash Settled Note, and subject to the provisions of this Annex 3 (*Additional Terms and Conditions for Share Linked Notes*) and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Share Linked Notes relating to a Basket of Shares and in respect of each Share comprising the Basket of Shares, an amount equal to the official closing price or the Italian Notes Reference Price, as specified in the applicable Final Terms, (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or, other than in the case of Single Final Payout - Leverage Factor Notes, if in the opinion of the Calculation Agent, any such official closing price or Italian Notes Reference Price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price or Italian Notes Reference Price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share (or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent acting in good faith and in a commercially reasonable manner; and
- (b) in the case of Share Linked Notes relating to a single Share, an amount equal to the official closing price or the Italian Notes Reference Price, as specified in the applicable Final Terms, (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or, other than in the case of Single Final Payout - Leverage Factor Notes, if, in the opinion of the Calculation Agent, any such official closing price or Italian Notes Reference

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Price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share (or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent acting in good faith and in a commercially reasonable manner;

**"Settlement Price Date"** means the Strike Date, an Observation Date or the Valuation Date, as the case may be, or if the Notes are Single Final Payout - Leverage Factor Notes, an Exchange Business Day and the Valuation Date;

**"Shares"** and **"Share"** mean, subject to adjustment in accordance with this Annex 3 (*Additional Terms and Conditions for Share Linked Notes*), in the case of an issue of Notes relating to a Basket of Shares, each share and, in the case of an issue of Notes relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

**"Share Company"** means, in the case of an issue of Notes relating to a single Share, the company that has issued such Share;

**"Share Correction Period"** means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

**"Stapled Shares"** mean the two or more shares that are attached to each other, such that:

- (a) each such share may not be held, owned, sold, transferred, purchased or otherwise dealt with as an individual share and may only be dealt with as a single unit of such attached shares;
- (b) such attached shares are issued with a single ISIN; and
- (c) where applicable, such attached shares are listed and admitted to trading as a single unit, each constituent share comprising the Stapled Shares being a **"Stapled Share Constituent"**; and

**"Trading Disruption"** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (a) relating to the Share on the Exchange; or (b) in futures or options contracts relating to the Share on any relevant Related Exchange.

**2. Market Disruption**

**"Market Disruption Event"** means, in relation to Notes relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure or (d) if "China Connect" is specified as applicable in the applicable Final Terms, (i) a China Connect Disruption which the Calculation Agent determines is material at any time during the one hour period that ends at the relevant Valuation Time or (ii) a China Connect Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date as the case may be.

**3. Potential Adjustment Events**

**"Potential Adjustment Event"** means any of the following:

- (a) a subdivision, consolidation or reclassification of the relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;

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- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, certificates, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

**"Potential Adjustment Event Effective Date"** means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant Basket Company or Share Company, as the case may be, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Notwithstanding the foregoing, the Calculation Agent will adjust any relevant terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*), stating the adjustment to any Relevant Asset and/or the Entitlement (where the Notes are Physical Delivery

Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

**4. Dividend Event**

If "Dividend Protection" is specified as being applicable in the applicable Final Terms, upon the occurrence of a Dividend Event during the period from, but excluding, the Issue Date, to, and including, the Maturity Date as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, the Calculation Agent may, acting in good faith and in a commercially reasonable manner, and unless otherwise provided in the Final Terms, adjust the values and level indicated in the applicable Final Terms by multiplying such levels by the Adjustment Factor K (rounded to the fourth decimal digit).

Upon the making of any such adjustments, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) stating the occurrence of the Dividend Event and providing details of the relevant adjustments, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

Where:

"**Actual Dividend**" means, in respect of any Business Day (i) if the distribution is made in cash, 100% of the gross cash dividend per Share declared by the Share Company, as the case may be, to holders of record of a Share and for which the Ex-Dividend Date falls on such Business Day; and (ii) if the distribution is made otherwise, a dividend amount per share as determined by the Calculation Agent as equal to the fair market value of the distributed assets on the relevant Ex-Dividend Date and for which the Ex-Dividend Date falls on such day; and (iii) if no distribution is made for which the Ex-Dividend Date falls on such Business Day, zero.

Where a distribution is announced which may, at the election of the relevant shareholder, be satisfied by a payment of cash or a distribution of shares, the distribution shall be treated as a cash dividend in an amount equal to such cash amount.

"**Adjustment Factor K**" means the factor calculated in accordance with the following formula and rounded to the eight decimal digit:

$$\text{Adjustment Factor K} = \frac{\text{Cum Reference Price} - \text{Actual Dividend}}{\text{Cum Reference Price} - \text{Scheduled Dividend}}$$

"**Cap Level**" is as defined in the applicable Final Terms.

"**Cum Reference Price**" means the official closing price of the Shares on the Exchange Business Day preceding the Ex-Dividend Date.

"**Dividend Event**" means that on any Business Day either:

- (i) the Actual Dividend declared by the Share Company, in respect of the Share in relation to which the Ex-Dividend Date falls on such Business Day differs from the amount of the Scheduled Dividend for such Business Day; or
- (ii) the Scheduled Dividend for such Business Day is greater than zero, but there is no Actual Dividend declared by the Share Company, in relation to which the Ex-Dividend Date falls on such Business Day.

"**Ex-Dividend Date**" means either (i) the first Business Day following the declaration of a distribution on which a holder of a Share on such Business Day is not entitled to receive such distribution or (ii) each Scheduled Ex-Date.

"**Scheduled Dividend**" is as defined in the applicable Final Terms.

"**Scheduled Ex-Date**" is as defined in the applicable Final Terms.

## 5. **Extraordinary Events**

- 5.1 The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Stapling, Tender Offer (unless Tender Offer is specified as not applicable in the applicable Final Terms), or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change, Listing Suspension, CSR Event, China Connect Share Disqualification or China Connect Service Termination, as the case may be, shall be deemed to be an "Extraordinary Event", the consequences of which are set forth in Share Linked Note Condition 5.2 (Consequences of the occurrence of an Extraordinary Event):

"**China Connect Share Disqualification**" means, on or after the Trade Date, the Shares cease to be accepted as "China Connect Securities" (as defined in the rules of SEHK) for the purposes of the China Connect Service.

"**China Connect Service Termination**" means, on or after the Trade Date, the announcement by any one or more of the China Connect Exchanges, SEHK, the CSDCC, HKSCC or any regulatory authority with competent jurisdiction of a suspension or termination of the China Connect Service or a part thereof for any reason which materially affects the routing of orders in respect of, or holding of, the Shares through the China Connect Service and the Calculation Agent determines that there is a reasonable likelihood that such suspension or termination is not, or will not be, temporary.

"**CSDCC**" means the China Securities Depository and Clearing Corporation.

"**CSR Event**" means, in respect of Share Linked Notes relating to a Basket of Shares, any negative change in any Non-Financial Rating of a Basket Company when compared to such Non-Financial Rating as at the Issue Date of the first tranche of the Series, if such change is material, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.



**"De-Listing"** means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

**"HKSCC"** means the Hong Kong Securities Clearing Company Limited.

**"Illiquidity"** means, in respect of Share Linked Notes relating to a Basket of Shares, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days, notwithstanding the occurrence of a Disrupted Day, falling after the Issue Date (the **"Relevant Period"**), (a) the difference between the bid prices and the ask prices in respect of a Share during the Relevant Period is greater than 1 per cent. (based on an arithmetic mean average over the Relevant Period), and/or (b) the arithmetic mean average purchase price or the arithmetic mean average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1 per cent. (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. (in relation to a sale of Shares). For these purposes, **"MID"** means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (ii) divided by two.

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (a) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

**"Listing Change"** means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date of the relevant Notes, for any reason (other than a Merger Event or Tender Offer).

**"Listing Suspension"** means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended.

**"Merger Event"** means, in respect of any relevant Shares, any:

- (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person,

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- (b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding),
- (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or
- (d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event,

in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Notes, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Note or (ii) in the case of Physical Delivery Notes, the relevant Redemption Date.

**"Nationalisation"** means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise transferred to any governmental agency, authority, entity or instrumentality thereof.

**"Non-Financial Rating"** means the rating assigned to the Basket Company by the relevant non-financial rating agency being an entity assigning ratings based on corporate social responsibility (including corporate governance and ethical business conduct, social and human resources policy, environmental protection policy and social initiatives) (each such agency, a **"Non-Financial Rating Agency"**).

**"SEHK"** means the Stock Exchange of Hong Kong Limited.

**"Stapling"** means, in the determination of the Calculation Agent, a Share becomes a Stapled Share Constituent.

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as

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determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant. Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share, the Issuer may take any of the relevant actions described in (a), (c) or (d) (in the case of Notes relating either to a single Share or a Basket of Shares) or, (b) or (e) below (in the case of Notes relating to a Basket of Shares) as it deems appropriate:

- (a) require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes. The Calculation Agent may (but do not need to) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of subparagraph (e) below;
- (b) in the case of Share Linked Notes relating to a Basket of Shares, redeem in part by giving notice to Noteholders in accordance with Base Condition 16 (Notices). If the Notes are so redeemed in part the portion (the "Redeemed Amount") of each Note, representing the affected Share(s) shall be redeemed and the Issuer will:
  - (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a);
  - (ii) if Market Value is specified as applicable in the applicable Final Terms, pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or
  - (iii) if the Calculation Agent determines that such Extraordinary Event constitutes a force majeure, and if Share Linked Note Condition 5.2(b)(iii) is specified in the applicable Final Terms, the Issuer will pay to each Noteholder an amount in respect of each Note held by such Noteholder, which amount shall be equal to the fair market value of the Redeemed Amount, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redemption in part the Notes at the Redeemed Amount) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of partial redemption; or

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- (iv) otherwise, pay to each Noteholder in respect of each Note held by him an amount equal to the fair market value of the Redeemed Amount taking into account the relevant Extraordinary Event, less, unless if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner; and
- (v) require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such redemption in part.

For the avoidance of doubt the remaining part of each Note after such settlement and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*);

- (c)
  - (i) unless Delayed Redemption on Occurrence of an Extraordinary Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*) redeem all but not some only of the Notes at the amount equal to the fair market value of such Note, taking into account the relevant Extraordinary Event, less, except in the case of Italian Listed Notes Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
  - (ii) if Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of such Note taking into account the relevant Extraordinary Event, less, except in the case of Italian Listed Notes Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "Calculated Extraordinary Event Amount") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "Calculated Extraordinary Event Amount Determination Date") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as applicable in the applicable

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Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms); or

- (iii) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a);
  - (iv) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or
  - (v) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c);
  - (vi) if the Calculation Agent determines that an Extraordinary Event constitutes a force majeure, and if Share Linked Note Condition 5.2(c)(vi) is specified in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder, which amount shall be equal to the fair market value of a Note taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption; or
- (d) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of

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the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

- (e) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "Substitute Share") for each Share (each, an "Affected Share") of each Basket Company (each, an "Affected Basket Company") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

"**A**" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Valuation Date;

"**B**" is the Initial Price of the relevant Affected Share; and

"**C**" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Valuation Date or, in the case of a Stapling, the official closing price of the relevant Affected Share in the Scheduled Trading Day immediately preceding the Extraordinary Event Effective Date.

"**Substitution Valuation Date**" is the date selected as such by the Calculation Agent acting in good faith and in a commercially reasonable manner and specified in the notice referred to below.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") acting in good faith and in a commercially reasonable manner and specified in the notice referred to below which may, but need not, be the relevant Extraordinary Event Effective Date.

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The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must satisfy the following criteria, in the determination of the Calculation Agent, acting in good faith and in a commercially reasonable manner:

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer that is, or that as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share would otherwise satisfy the criteria set out in paragraph (i) above, but such share is already included in the Basket of Shares or such Share does not satisfy the criteria set out in paragraph (i) above, or in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:
  - (A) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company;
  - (B) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company; and
  - (C) in the case of the occurrence of a CSR Event only, the relevant issuer of the share shall have a comparable Non-Financial Rating to the Affected Basket Company.

Notwithstanding the foregoing, in the case of a Stapling, the Affected Share may be substituted with the Stapled Shares and the provisions of Share Linked Note Condition 13 shall apply in respect of such Stapled Shares.

If the Calculation Agent determines that more than one Extraordinary Event occurs in respect of a Share Company or a Basket Company, which are not connected and have different consequences pursuant to this Share Linked Note Condition 5.2, the Calculation Agent will determine which such Extraordinary Event and related consequences shall apply acting in good faith and in a commercially reasonable manner.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) stating the occurrence of the Extraordinary Event, giving details thereof and

the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Valuation Date.

5.3 Hedging Liquidity Event

**"Hedging Liquidity Event"** means that, at any time after the Listing Date of the Notes, the volume of Shares held by the Issuer and/or any of its Affiliates in relation to any hedging arrangements in respect of the Notes is above the Maximum Hedging Liquidity Level;

**"Maximum Hedging Liquidity Level"** means the percentage specified as such in the applicable Final Terms or, if not so specified, 50 per cent. of the daily average volume of the transactions on the Shares on the Exchange over the last 6 month time period appearing on the relevant Screen Page.

5.4 Consequences of a Hedging Liquidity Event

If Hedging Liquidity Event is specified as applicable in the applicable Final Terms and in the determination of the Calculation Agent a Hedging Liquidity Event occurs in relation to a Share, the Issuer may immediately redeem all but not some only of the Notes at the amount equal to the fair market value of such Note taking into account the relevant Hedging Liquidity Event, less, except in the case of Italian Listed Notes Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Notice of redemption will be given to Noteholders in accordance with Base Condition 16 (*Notices*) as soon as practicable following determination of the occurrence of the Hedging Liquidity Event and payments will be made in such manner as shall be notified to the Noteholders.

**6. Correction of Share Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment or delivery under the Notes, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment or delivery under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

**7. Dividend Payment**

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Notes:

- (a) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Terms and Conditions to the



contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.

- (b) As soon as practicable following the Dividend Date, the Issuer shall give notice (a "Cash Dividend Notice") to the Noteholders in accordance with Base Condition 16 (Notices) of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer, or failing which the Guarantor, if applicable, shall pay to each Noteholder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Note held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Maturity Date, the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer and/or the Guarantor, if applicable, shall have no further obligation in respect thereof.
- (c) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Noteholder.

For the purposes of this Share Linked Note Condition 7 the following definitions shall apply:

**"Cash Dividend"** means any cash dividend paid by the Share Company or Basket Company in respect of a Share;

**"Cash Dividend Amount"** means, in respect of a Note, an amount calculated by the Calculation Agent equal to the Distributed Amount less a *pro rata* share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner on or as soon as practicable after the Dividend Date;

**"Cash Dividend Payment Date"** means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice;

**"Distributed Amount"** means, in respect of a Cash Dividend, the amount of such dividend paid by the Share Company in respect of a Share, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

**"Dividend Date"** means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner; and

**"Dividend Expenses"** means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Notes.

## 8. GDR/ADR

Share Linked Note Conditions 9 (*Definitions relating to GDR/ADR*) to 13 (*Extraordinary Events GDR/ADR*) (inclusive) apply where "GDR/ADR" is specified as applicable in respect of the share specified to be GDRs/ADRs in the applicable Final Terms.

**9. Definitions relating to GDR/ADR**

"**ADR**" means an American Depositary Receipt;

"**Conversion Event**" means any event which in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner results (or will result) in the GDRs and/or ADRs being converted into Underlying Shares or any other listed Notes of the issuer of the Underlying Shares;

"**GDR**" means a Global Depositary Receipt; and

"**Underlying Shares**" means the shares underlying an ADR or GDR, as the case may be.

**10. General (GSR/ADR)**

Save where specifically provided under the Final Terms, all references in the Base Conditions and the Share Linked Note Conditions to the "Shares" shall in respect of the shares specified to be GDRs/ADRs, be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the Noteholders.

**11. Share Event**

Upon the occurrence of a Share Event, the Issuer may take the action described in paragraphs (a), (b), (c), (d) or (e), as applicable, of Share Linked Note Condition 5.2 (*Consequences of the occurrence of an Extraordinary Event*). The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"**Share Event**" means each of the following events:

- (a) written instructions have been given by the Issuer or a Qualified Investor to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (b) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall, acting in good faith and in a commercially reasonable manner, determine which of these events such event constitutes.

**12. Potential Adjustment Event (GDR/ADR)**

The following additional event shall be deemed added to paragraph (b) of the definition of Potential Adjustment Event in Share Linked Note Condition 3 (*Potential Adjustments Events*):

"and/or a distribution in respect of the Underlying Shares of property other than cash, shares or rights **relating to any Underlying Shares to the holder of the Underlying Shares**".

**13. Extraordinary Events (GDR/ADR)**

The following additional events shall be deemed added to the first paragraph of Share Linked Note Condition 5.1 after the words "as not applicable in the applicable Final Terms)":

"Conversion Event, Share Event".

**14. Stapled Shares**

Share Linked Note Conditions 14 to 20 (inclusive) apply where "Stapled Shares" is specified as applicable in respect of shares specified to be Stapled Shares in the applicable Final Terms.

**15. General (Stapled Shares)**

Except as provided in Share Linked Note Condition 16, Share Linked Note Condition 17 and Share Linked Note Condition 18 below and save where specifically provided under the Final Terms, all references in the Base Conditions and the Share Linked Note Conditions to the "Shares" or a "Share" shall, in respect of the shares specified to be Stapled Shares, be deemed to be to the "Stapled Shares" or a "Stapled Share Constituent", as applicable, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to each issuer of a Stapled Share Constituent.

**16. Potential Adjustment Events (Stapled Shares)**

References to "Shares" in Share Linked Note Condition 3 (*Potential Adjustment Events*) shall be deemed to be references to "Stapled Shares and each Stapled Share Constituent".

**17. Extraordinary Events (Stapled Shares)**

References to "Shares" in the definitions of Insolvency, Merger Event, Nationalisation and Stapling and related provisions in Share Linked Note Condition 5 (*Extraordinary Events*) shall be deemed to be references to "Stapled Share Constituent".

The following additional events shall be deemed added to the first paragraph of Share Linked Note Condition 5.1 after the words "as not applicable in the applicable Final Terms)":

"De-Stapling".

**18. Dividend Payment (Stapled Shares)**

References to "Share" (other than in "Share Company") in Share Linked Note Condition 7 (Dividend Payment) shall be deemed to be references to "Stapled Share Constituent".

**19. De-Stapling**

Upon the occurrence of a De-Stapling, the Issuer may take the action described in paragraphs (a), (c) or (d) of Share Linked Note Condition 5.2 (in the case of Note relating to either a single unit of Stapled Shares or a Basket of Shares comprising one or more Stapled Shares) or the action described in paragraph (b) of Share Linked Note Condition 5.2 or in Share Linked Note Condition 20 below (in respect of a Basket of Shares comprising one or more Stapled Shares). The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) stating the occurrence of the De-Stapling, giving details thereof and the action proposed to be taken in relation thereto.

“**De-Stapling**” means the Stapled Shares become detached, such that:

- (i) one or more Stapled Share Constituent may be held, owned, sold, transferred, purchased and otherwise dealt with as an individual share; and/or
- (ii) where applicable, one or more Stapled Share Constituent shall be listed and admitted to trading separately.

**20. Substitution following the occurrence of a De-Stapling**

If the Issuer elects to substitute the Stapled Shares following the occurrence of a De-Stapling in accordance with Share Linke Note Condition 19, on or after the relevant Extraordinary Event Effective Date, the Calculation Agent will adjust the Basket of Shares to substitute one or more shares selected by it in accordance with the criteria set out below (the "**Substitute Share**") for the Stapled Shares (the "**Affected Stapled Shares**") affected by such De-Stapling and the Substitute Share will be deemed to be a "Share" and the relevant issuer of such shares a "Basket Company" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that, in the event that any amount payable under the Notes was to be determined by reference to the Initial Price of the Affected Stapled Shares, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

"A" is the official closing price of the Substitute Share on the relevant Exchange on the Substitution Valuation Date;

"B" is the Initial Price of the Affected Stapled Shares; and

"C" is the official closing price of the Affected Stapled Shares on the Scheduled Trading Day immediately preceding the Extraordinary Event Effective Date.

**"Substitution Valuation Date"** is the date selected as such by the Calculation Agent acting in good faith and in a commercially reasonable manner and specified in the notice referred to below.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the **"Substitution Date"**) acting in good faith and in a commercially reasonable manner and specified in the notice referred to below which may, but need not, be the relevant Extraordinary Event Effective Date.

The Weighting of the Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Stapled Shares.

In order to be selected as a Substitute Share, the relevant share must satisfy the following criteria, in the determination of the Calculation Agent, acting in good faith and in a commercially reasonable manner:

- (i) the relevant issuer of the share shall belong to the same economic sector as the issuers of the Affected Stapled Shares; and
- (ii) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the issuers of the Affected Stapled Shares.

## ANNEX 4

## ADDITIONAL TERMS AND CONDITIONS FOR ETI LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as ETI Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for ETI Linked Notes set out below (the "**ETI Linked Note Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the ETI Linked Note Conditions, the ETI Linked Note Conditions shall prevail.

**ETI Share Provisions not applicable**

If ETI Share Provisions is specified as not applicable in the applicable Final Terms, ETI Linked Note Conditions 1 to 8 (inclusive) shall apply.

**1. Definitions**

**"Basket Trigger Event"** means that an Extraordinary ETI Event occurs in respect of one or more ETI Interests or the related ETI comprising the ETI Basket which has or, in the event that an Extraordinary ETI Event has occurred in respect of more than one ETI, together have, a Weighting in the ETI Basket equal to or greater than the Basket Trigger Level;

**"Basket Trigger Level"** has the meaning given to it in the applicable Final Terms or if not so specified, 50 per cent;

**"Calculation Date"** means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is an Exchange Business Day;

**"Clearance System"** means the principal domestic clearance system customarily used for settling trades in the relevant ETI Interest;

**"Clearance System Days"** means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

**"Closing Price"** means, in respect of an ETI and a Scheduled Trading Day, the official closing price (or if Value per ETI Interest is specified as applicable in the applicable Final Terms, the Value per ETI Interest) in respect of the relevant ETI Interest in relation to such day as determined by the Calculation Agent, subject as provided in ETI Linked Note Condition 3 (*Potential Adjustment Events*) or ETI Linked Note Condition 4 (*Extraordinary ETI Events*);

**"Disrupted Day"** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

**"Dividend Event"** means that with reference to the later of (i) the two financial years prior to the Trade Date, and (ii) the two financial years prior to the relevant observation date, the ETI has implemented a material change to its practice with respect to the payment of dividends;

**"Early Closure"** means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

**"ETI"** means (i) any exchange traded fund, (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETI in the applicable Final Terms;

**"ETI Basket"** means, where the ETI Linked Notes are linked to the performance of ETI Interests of more than one ETI, a basket comprising such ETI Interests;

**"ETI Documents"** means with respect to any ETI Interest, the offering document of the relevant ETI in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such ETI Interests and, for the avoidance of doubt, any other documents or agreements in respect of the ETI, as may be further described in any ETI Document;

**"ETI Interest(s)"** means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETI, or (iii) in respect of any other exchange traded product, any other interest specified as an ETI Interest in the applicable Final Terms;

**"ETI Interest Correction Period"** means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

**"ETI Related Party"** means, in respect of any ETI, any person who is appointed to provide services (howsoever described in any ETI Documents), directly or indirectly, in respect of such ETI, whether or not specified in the ETI Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms and in the case of an exchange traded note or exchange traded commodity, the calculation agent;

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**"Exchange"** means in relation to an ETI Interest, each exchange or quotation system specified as such for the relevant ETI in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

**"Exchange Business Day"** means either (i) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, (a) Exchange Business Day (All ETI Interests Basis) or (b) Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

**"Exchange Business Day (All ETI Interests Basis)"** means, in respect of an ETI Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

**"Exchange Business Day (Per ETI Interest Basis)"** means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETI Interest are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**"Exchange Business Day (Single ETI Interest Basis)"** means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**"Exchange Disruption"** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETI Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest on any relevant Related Exchange;

**"Extraordinary ETI Event Effective Date"** means, in respect of an Extraordinary ETI Event, the date on which such Extraordinary ETI Event occurs, or has occurred, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

**"Final Calculation Date"** means the date specified as such in the applicable Final Terms;

**"Hedge Provider"** means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or where no such party actually hedges such obligations, a Hypothetical Investor,



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who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETI Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETI Interests as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes;

**"Hedging Date"** has the meaning given to it in the applicable Final Terms;

**"Hedging Shares"** means the number of ETI Interests that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes;

**"Hypothetical Investor"** means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in an ETI Interest which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding an ETI Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor, the Calculation Agent or any of their Affiliates (as determined by the Calculation Agent in the context of the relevant situation);

**"Implied Embedded Option Value"** means, an amount (which may never be less than zero) equal to the present value as of the Implied Embedded Option Value Determination Date, of any scheduled but unpaid payments under the Notes in respect of the period from (and including) the Extraordinary ETI Event Effective Date to (and including) the Maturity Date as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner but, notwithstanding anything to the contrary contained herein, taking into account, without limitation, such factors as the net proceeds actually received from the redemption or sale of any ETI Interests by the Hedge Provider, the volatility of the ETI Interests and any transaction costs;

**"Implied Embedded Option Value Determination Date"** means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary ETI Event;

**"Initial Calculation Date"** means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

**"Intraday Price"** means, in respect of an ETI and any time on a Scheduled Trading Day, the published or quoted price (or if Value per ETI Interest is specified as applicable in the applicable Final Terms, the Value per ETI Interest) in respect of the relevant ETI Interest in relation to such time on such day as determined by the Calculation Agent, subject as provided in ETI Linked Note Condition 3 (*Potential Adjustment Events*) or ETI Linked Note Condition 4 (*Extraordinary ETI Events*);

"**Investment/AUM Level**" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000 or the equivalent in any other currency;

"**Loss of Stock Borrow**" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETI Interest in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"**Maximum Stock Loan Rate**" means in respect of an ETI Interest, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"**Merger Event**" means, in respect of any relevant Interests and Entity, any:

- (i) reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person,
- (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETI, is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding),
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of an ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or
- (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI or its subsidiaries with or into another entity in which the ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event,

in each case if the relevant Extraordinary ETI Event Effective Date is on or before (a) in the case of Cash Settled Notes, the last occurring Valuation Date or (b) in the case of Physical Delivery Notes, the Maturity Date. For the purposes of this definition only, "**Interests**" shall mean the applicable ETI Interests or the shares of any applicable ETI Related Party, as the context may require, and "**Entity**" shall mean the applicable ETI or any applicable ETI Related Party, as the context may require;

"**Non-Principal Protected Termination Amount**" means an amount per Note determined by the sum of:

- (i) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and

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- (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"**Number of Value Publication Days**" means the number of calendar days or Value Business Days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the Value per ETI Interest after which the ETI Related Party or any entity fulfilling such role, howsoever described in the ETI Documents, or any other party acting on behalf of the ETI, may remedy any failure to publish or report the Value per ETI Interest before the Calculation Agent may determine that an Extraordinary ETI Event has occurred;

"**Principal Protected Termination Amount**" means an amount per Note determined as:

- (i) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms:
  - A. the greater of:
    - (1) the Protected Amount; and
    - (2) the Implied Embedded Option Value; and
  - B. the Simple Interest;
- (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is not specified as being applicable in the applicable Final Terms, the Implied Embedded Option Value;

"**Protected Amount**" means the amount specified as such in the applicable Final Terms;

"**Related Exchange**" means in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

"**Scheduled Trading Day**" means either (i) in the case of a single ETI and in relation to an ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, (a) Scheduled Trading Day (All ETI Interest Basis) or (b) Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per ETI Interest Basis) shall apply;

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**"Scheduled Trading Day (All ETI Interest Basis)"** means, in respect of an ETI Basket, any day on which each Exchange and each Related Exchange(s) are scheduled to be open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s);

**"Scheduled Trading Day (Per ETI Interest Basis)"** means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

**"Scheduled Trading Day (Single ETI Interest Basis)"** means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

**"Settlement Cycle"** means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

**"Settlement Price"** means, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Linked Note Conditions and as referred to in "Valuation Date" or "Averaging Date", as the case may be:

- (i) in the case of ETI Linked Notes relating to an ETI Basket and in respect of each ETI Interest comprising the ETI Basket, an amount equal to:
  - (a) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on;
    - (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date;  
or
    - (B) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official

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closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide); or

(b) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest for such ETI Interest on:

(A) if Averaging is not specified in the applicable Final Terms, the Valuation Date; or

(B) if Averaging is specified in the applicable Final Terms, an Averaging Date, in each case multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and

(ii) in the case of ETI Linked Notes relating to a single ETI Interest, an amount equal to:

(a) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on:

(A) if Averaging is not specified in the applicable Final Terms, the Valuation Date; or

(B) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest based, as determined by the Calculation Agent acting in good faith and in a

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commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide); or

- (b) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest on:
  - (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date;  
or
  - (B) if Averaging is specified on the applicable Final Terms, an Averaging Date, in each case, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

**"Simple Interest"** means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Termination Amount during the period from (and including) the Implied Embedded Option Value Determination Date to (and excluding) the later of (i) the Maturity Date, as the case may be, or (ii) the date falling five Business Days after the Implied Embedded Option Value Determination Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

- A. the "Effective Date" is the Implied Embedded Option Value Determination Date;
- B. the "Termination Date" is the Termination Date;
- C. the "Floating Rate Payer Payment Date" is the Termination Date;
- D. the "Floating Rate Option" is EUR-EONIA-Swap Index (if the Settlement Currency is EUR) or USD-Federal Funds-H.15 (if the Settlement Currency is USD);
- E. the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- F. the "Floating Rate Day Count Fraction" is Actual/360;
- G. the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and
- H. "Compounding" is "Inapplicable";

**"Specified Maximum Days of Disruption"** means eight (8) Scheduled Trading Days, or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETI or an ETI Related Party, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

**"Termination Amount"** means:

- (i) unless Highest Value, Market Value or Monetisation Option are specified in the applicable Final Terms as applicable:
  - (a) the amount specified in the applicable Final Terms;
  - (b) the Principal Protected Termination Amount; or
  - (c) the Non-Principal Protected Termination Amount,in each case, as specified in the applicable Final Terms, such amount to be payable on the Termination Date; or
- (ii) if Highest Value is specified as applicable in the applicable Final Terms, an amount in respect of each Note calculated and paid on such date determined, in accordance with Base Condition 11(a); or
- (iii) if Market Value is specified as applicable in the applicable Final Terms, an amount in respect of each Note calculated and paid on such date determined, in accordance with Base Condition 11(b); or
- (iv) if Monetisation Option is specified as applicable in the applicable Final Terms, an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c);
- (v) if the Calculation Agent determines that the relevant Extraordinary ETI Event or combination of Extraordinary ETI Events constitutes a force majeure, and if ETI Event Force Majeure is specified as applicable in the applicable Final Terms, an amount in respect of each Note, which amount shall be equal to the fair market value of a Note, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption;

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**"Termination Date"** means (i) the date determined by the Issuer as provided herein and specified in the notice given to Noteholders in accordance with ETI Linked Note Condition 6.2(c); or (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Maturity Date;

**"Trade Date"** has the meaning given to it in the applicable Final Terms;

**"Trading Disruption"** means in relation to an ETI Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETI Interest or any underlying asset of the ETI on the Exchange; or (ii) in futures or options contracts relating to the ETI Interest or any underlying asset of the ETI on any relevant Related Exchange;

**"Value Business Day"** means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Value Business Day Centre(s) specified in the applicable Final Terms;

**"Valuation Time"** means in the case of an ETI and in relation to an ETI Interest either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms;

**"Value per ETI Interest"** means, with respect to the relevant ETI Interest(s) and the Scheduled Trading Day relating to such ETI Interests, (i) if the relevant ETI Documents refer to an official net asset value per ETI Interest (howsoever described), such official net asset value per ETI Interest, otherwise (ii) the official closing price or value per ETI Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETI or an ETI Related Party, the relevant Exchange or publishing service (which may include the website of an ETI), all as determined by the Calculation Agent;

**"Value per ETI Interest Trading Price Barrier"** means the percentage specified in the applicable Final Terms, or if not so specified, 5 per cent.;

**"Value per ETI Interest Trading Price Differential"** means the percentage by which the Value per ETI Interest differs from the actual trading price of the ETI Interest as of the time the Value per ETI Interest is calculated;

**"Value per ETI Interest Trigger Event"** means, in respect of any ETI Interest(s), that (i) the Value per ETI Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETI has violated any leverage restriction that is applicable to, or affecting, such ETI or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETI Documents or (z) any other contractual restriction binding on or affecting the ETI or any of its assets;

**"Value Trigger Percentage"** means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.;



"**Value Trigger Period**" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date. For the avoidance of doubt the period could be equal to specified number of consecutive or non-consecutive Scheduled Trading Days, as defined in the applicable Final Terms.

**2. Market Disruption**

"**Market Disruption Event**" means, in relation to Notes relating to a single ETI Interest or an ETI Basket, in respect of an ETI Interest the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

**3. Potential Adjustment Events**

"**Potential Adjustment Event**" means any of the following:

- (a) an extraordinary dividend as determined by the Calculation Agent;
- (b) a repurchase or exercise of any call option by any ETI of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (c) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.

"**Potential Adjustment Event Effective Date**" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant ETI or ETI Related Party, as the case may be, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

Following the declaration by the relevant ETI or ETI Related Party, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate

or liquidity relative to the relevant ETI Interest) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interest traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) stating the adjustment to any Relevant Asset and/or the Entitlement (where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

#### 4. Extraordinary ETI Events

Subject to the provisions of ETI Linked Note Condition 5 (*Determination of Extraordinary ETI Events*) "**Extraordinary ETI Event**" means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

##### 4.1 Global Events:

- the ETI or any ETI Related Party (i) ceases trading and/or, in the case of an ETI Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all

its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

- the occurrence of a Merger Event or Tender Offer;

**4.2 Litigation/Fraudulent Activity Events:**

- there exists any litigation against the ETI or an ETI Related Party which the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, could materially affect the value of the ETI Interests or on the rights or remedies of any investor therein; or
- (i) an allegation of criminal or fraudulent activity is made in respect of the ETI, or any ETI Related Party, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETI, any ETI Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, materially affect the value of the ETI Interests or the rights or remedies of any investor in such ETI Interests;

**4.3 Change in ETI Related Parties/Key Persons Events:**

- (i) an ETI Related Party ceases to act in such capacity in relation to the ETI (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETI and/or any ETI Related Party to meet or maintain any obligation or undertaking under the ETI Documents which failure is reasonably likely to have an adverse impact on the value of the ETI Interests or on the rights or remedies of any investor therein;

**4.4 Modification Events:**

- a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETI (howsoever described, including the underlying type of assets in which the ETI invests), from those set out in the ETI Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the ETI invests, (ii) the ETI purports to track, or (iii) the ETI accepts/provides for purposes of creation/redemption baskets;

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- a material modification, or any announcement regarding a potential future material modification, of the ETI (including but not limited to a material modification of the ETI Documents or to the ETI's liquidity terms) other than a modification or event which does not affect the ETI Interests or the or any portfolio of assets to which the ETI Interest relates (either alone or in common with other ETI Interests issued by the ETI);
- the currency denomination of the ETI Interest is amended from that set out in the ETI Documents so that the Value per ETI Interest is no longer calculated in the same currency as it was as at the Trade Date; or
- if applicable, the ETI ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

#### 4.5 **Net Asset Value/Investment/AUM Level Events:**

- a material modification of the method of calculating the Value per ETI Interest;
- any change in the periodicity of the calculation or the publication of the Value per ETI Interest;
- any of the ETI, any ETI Related Parties or any other party acting on behalf of the ETI fails for any reason to calculate and publish the Value per ETI Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETI Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- the assets under management of, or total investment in, the ETI falls below the Investment/AUM Level;
- a Value per ETI Interest Trigger Event occurs;
- failure by the ETI or any ETI Related Party to publish (i) the Value per ETI Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETI or any ETI Related Party, or (ii) where the relevant ETI Documents provide for the publication of an indicative Value per ETI Interest, such indicative Value per ETI Interest is published no less frequently than once every five (5) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or
- (i) the Value per ETI Interest Trading Price Differential breaches the Value per ETI Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Notes;

#### 4.6 **Tax/Law/Accounting/Regulatory Events:**

- there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Notes (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the

material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

- (i) any relevant activities of or in relation to the ETI or the ETI Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETI by any governmental, legal or regulatory entity with authority over the ETI), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETI or the ETI Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETI is required by a competent authority to redeem any ETI Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETI Interests held in connection with any hedging arrangements relating to the Notes and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETI or any ETI Related Party that is reasonably likely to have an adverse impact on the value of the ETI Interests or other activities or undertakings of the ETI or on the rights or remedies of any investor therein, including any Hedge Provider;

4.7 **Hedging/Impracticality/Increased Costs Events:**

- in connection with any hedging activities in relation to the Notes, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount or cost of regulatory capital that would have to be maintained in respect of any holding of ETI Interests or that would subject a holder of the ETI Interests or the Hedge Provider to any loss), purchase or sell the relevant ETI Interests or any underlying assets of or related to the ETI or for the Hedge Provider to maintain its hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the

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period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

- in connection with the hedging activities in relation to the Notes, if the cost to the Hedge Provider in relation to the Notes and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees (or the combined effect thereof if occurring more than once) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Notes and the related hedging arrangements;
- in connection with the hedging activities in relation to the Notes, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETI Interest asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Notes or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETI Interest of the ETI;
- at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Notes;
- if at any time on or after the Trade Date of the first issue of the Series, (i) the Hedge Provider unintentionally acquires directly or indirectly any ownership interest in an ETI that exceeds 10 per cent. of the total assets under management or (ii) as a consequence of changes in the performance, size, investment strategy or liquidity of an ETI, the Hedge Provider holds an ownership interest in such ETI that exceeds 10 per cent. of the total assets under management;

#### 4.8 **Miscellaneous Events:**

- in the case of Notes linked to an ETI Basket, a Basket Trigger Event occurs;
- the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party or any parent company (howsoever described) of the ETI, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("Moody's"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("S&P"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);
- the occurrence of a Loss of Stock Borrow;
- the occurrence of an Additional Extraordinary ETI Event;
- if the relevant ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event;

- the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

All of the events listed in this ETI Linked Note Condition 4 (Extraordinary ETI Events) will constitute an Extraordinary ETI Event, unless SC/FM ETI Events is specified as applicable in the applicable Final Terms, in which case, the events described in ETI Linked Note Conditions 4.17, 4.18, 4.19(iv), 4.19(v), 4.20, 4.21, 4.22, 4.23, 4.24 and 4.27 will not constitute an Extraordinary ETI Event.

#### 5. **Determination of Extraordinary ETI Events**

The Calculation Agent will determine if an Extraordinary ETI Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary ETI Event or both an Extraordinary ETI Event and a Market Disruption Event, the Issuer may determine which Extraordinary ETI Event is to be triggered or whether such event or set of circumstances shall be an Extraordinary ETI Event or Market Disruption Event.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETI Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

#### 6. **Consequences of an Extraordinary ETI Event**

If the Calculation Agent determines that an Extraordinary ETI Event has occurred, the Calculation Agent shall give notice (an "**Extraordinary ETI Event Notice**") to the Noteholders in accordance with Base Condition 16 (*Notices*) (which notice shall be irrevocable), of the occurrence of such Extraordinary ETI Event (the date on which an Extraordinary ETI Event Notice is given, an "**Extraordinary ETI Event Notification Date**") as soon as reasonably practicable following the determination of an Extraordinary ETI Event. The Extraordinary ETI Event Notice shall set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary ETI Event pursuant to ETI Linked Note Condition 6.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Noteholders in accordance with Base Condition 16 (*Notices*) as soon as reasonably practicable after the Extraordinary ETI Event Notification Date.

Neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Noteholder or any other person in connection with the Notes

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as a result of any delay in notifying Noteholders of the occurrence on Extraordinary ETI Event, howsoever arising. If the Calculation Agent gives an Extraordinary ETI Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Notes until the Issuer has determined the action to take pursuant to ETI Linked Note Condition 6.2 below.

Following the occurrence of an Extraordinary ETI Event, the Issuer may take the action described below in (a), (b) or (c).

(a) **Adjustment**

If the Issuer determines that the action taken in respect of the Extraordinary ETI Event is to be "**Adjustment**", then it may:

require the Calculation Agent to determine, acting in good faith and in a commercially reasonable manner, the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary ETI Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Notes and a change in the Weighting of any remaining ETI Interest(s) not affected by an Extraordinary ETI Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETI Event made by any options exchange to options on the ETI Interests traded on that options exchange; or

following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETI Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(b) **Substitution**



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If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Substitution**", the Calculation Agent shall on or after the relevant Extraordinary ETI Event Effective Date, substitute each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary ETI Event with an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") and the Substitute ETI Interest will be deemed to be an "**ETI Interest**" and the relevant issuer of such Substitute ETI Interest, an "**ETI**" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the Initial Price of the Affected ETI Interest, the Initial Price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

"**A**" is the Settlement Price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Valuation Date;

"**B**" is the Initial Price of the relevant Affected ETI Interest; and

"**C**" is the Settlement Price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Valuation Date.

"**Substitution Valuation Date**" is the date selected as such by the Calculation Agent acting in good faith and in a commercially reasonable manner and specified in the notice referred to below.

Such substitution and the relevant adjustment to the ETI Basket will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") acting in good faith and in a commercially reasonable manner and specified in the notice referred to below which may, but need not, be the relevant Extraordinary ETI Event Effective Date.

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner:

where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Linked Notes related to a single ETI, and (b) in the case of ETI Linked Notes related to an ETI Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETI Basket and (ii) it is or as of the relevant Extraordinary ETI Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or

(a) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is (in the case of an ETI Linked Note related to an ETI Basket), already included in the ETI Basket, or (b) where the Extraordinary ETI Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives, investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent;

(c) **Termination**

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), (which such notice may be included in the Extraordinary ETI Event Notice in respect of the relevant Extraordinary ETI Event and will specify the Termination Date), all but not some only of the outstanding ETI Linked Notes shall be redeemed by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*).

(d) **General**

In determining to take a particular action as a result of an Extraordinary ETI Event, the Issuer is under no duty to consider the interests of Noteholders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary ETI Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of loss of interest), underperformance or opportunity cost suffered or incurred by Noteholders or any other person in connection with the Notes as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Notes.

**7. Correction of ETI Interest Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment or delivery under the Notes, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction is published by the relevant price source within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment or delivery under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

**8. Calculations and Determinations**

To the extent permitted by any applicable law, the Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Linked Note Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate, acting in good faith and in a commercially reasonable manner, having regard in each case to the criteria stipulated in the ETI Linked Note Conditions, the hedging arrangements in respect of the Notes and the nature of the relevant ETI and related ETI Interests.

**9. ETI Share Provisions applicable**

If ETI Share Provisions are specified as applicable in the applicable Final Terms, ETI Linked Note Conditions 9 to 14 (inclusive) will apply.

**10. Definitions relating to ETI Shares**

"**Basket of ETI Interests**" means a basket composed of ETI Interests of each ETI specified in the applicable Final Terms in the weightings or numbers of ETI Interests of each ETI specified in the applicable Final Terms;

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant ETI;

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"**Closing Price**" means, in respect of an ETI Interest and a Scheduled Trading Day, the official closing price in respect of the relevant ETI Interest in relation to such day as determined by the Calculation Agent, subject as provided in ETI Linked Note Condition 11 (*Potential Adjustment Events*) or ETI Linked Note Condition 12 (*Extraordinary Events*);

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**"Disrupted Day"** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

**"Early Closure"** means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

**"ETI"** means the legal vehicle and/or legal arrangements that issue the ETI Interests;

**"ETI Correction Period"** means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

**"ETI Documents"** means, with respect to an ETI, the constitutive and governing documents, subscription agreements and other agreements of the ETI specifying the terms and conditions relating to such ETI and/or the ETI Interests, in each case, as amended from time to time;

**"ETI Interests"** means units in the ETI as specified in the applicable Final Terms;

**"ETI Manager"** means, in respect of an ETI, each of the investment advisor, investment manager and sub-manager of such ETI, and any other key individual or entity involved with or having supervisory or management powers over such ETI;

**"ETI Strategy"** means, in respect of an ETI, the strategies or investment guidelines stated in the ETI Documents, which contribute to the net asset value of the ETI Interests;

**"Exchange"** means, in respect of an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

**"Exchange Business Day"** means either (a) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (b) in the case of a Basket of ETI Interests, (i) Exchange Business Day (All ETI Interests Basis) or (ii) Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

**"Exchange Business Day (All ETI Interests Basis)"** means, in respect of a Basket of ETI Interests, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the Basket of ETI Interests during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

**"Exchange Business Day (Per ETI Interest Basis)"** means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETI Interest are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**"Exchange Business Day (Single ETI Interest Basis)"** means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**"Exchange Disruption"** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the ETI Interest(s) on the Exchange or (b) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest(s) on any relevant Related Exchange;

**"Intraday Price"** means, in respect of an ETI interest and any time on a Scheduled Trading Day, the published or quoted price in respect of the relevant ETI Interest at such time on such day as determined by the Calculation Agent, subject as provided in ETI Linked Note Condition 11 (*Potential Adjustment Events*) or ETI Linked Note Condition 12 (*Extraordinary Events*);

**"Protected Amount"** means the amount specified as such in the applicable Final Terms;

**"Related Exchange"** means, in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

**"Scheduled Trading Day"** means either (a) in the case of a single ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (b) in the case of a Basket of ETI Interests, (i) Scheduled Trading Day (All ETI Interests Basis) or (ii) Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in

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the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per ETI Interest Basis) shall apply;

**"Scheduled Trading Day (All ETI Interests Basis)"** means, in respect of a Basket of ETI Interests, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all ETI Interests comprised in the Basket of ETI Interests during their respective regular trading session(s);

**"Scheduled Trading Day (Per ETI Interest Basis)"** means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

**"Scheduled Trading Day (Single ETI Interest Basis)"** means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

**"Settlement Cycle"** means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

**"Settlement Price"** means, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Linked Note Conditions and as referred to in "Strike Date", "Observation Date", "Valuation Date" or "Averaging Date", as the case may be:

- (a) in the case of ETI Linked Notes relating to a Basket of ETI Interests and in respect of each ETI Interest comprising the Basket of ETI Interests, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined by

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the Calculation Agent, acting in good faith and in a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interests (or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent acting in good faith and in a commercially reasonable manner; and

- (b) in the case of ETI Linked Notes relating to a single ETI Interest, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interests (or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent acting in good faith and in a commercially reasonable manner;

**"Settlement Price Date"** means the Strike Date, an Observation Date or the Valuation Date, as the case may be; and

**"Trading Disruption"** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (a) relating to the ETI Interest on the Exchange; or (b) in futures or options contracts relating to the ETI Interest on any relevant Related Exchange.

**11. Market Disruption (ETI Shares)**

"**Market Disruption Event**" means, in relation to Notes relating to a single ETI Interest or a Basket of ETI Interests, in respect of an ETI Interest, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

**12. Potential Adjustment Events (ETI Shares)**

"**Potential Adjustment Event**" means any of the following:

- a subdivision, consolidation or reclassification of relevant ETI Interests (unless resulting in a Merger Event) or a free distribution or dividend of any such ETI Interests to existing holders by way of bonus, capitalisation or similar issue;
- a distribution, issue or dividend to existing holders of the relevant ETI Interests of (i) such ETI Interests or (ii) other share capital or securities granting the right to payment of dividends and/or proceeds of liquidation of the ETI equally or proportionately with such payments to holders of such ETI Interests or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETI, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- an extraordinary dividend as determined by the Calculation Agent;
- a call by an ETI in respect of relevant ETI Interests that are not fully paid;
- a repurchase by the ETI or its subsidiaries of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- in respect of an ETI, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such ETI, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, certificates, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.



**"Potential Adjustment Event Effective Date"** means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant ETI, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

Following the declaration by the relevant ETI of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interest and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to (i) the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interests traded on that options exchange and (ii) any adjustment(s) made by the ETI Manager to the ETI Interest.

Notwithstanding the foregoing, the Calculation Agent will adjust any relevant terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) stating the adjustment to any Relevant Asset and/or the Entitlement (where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

### 13. **Extraordinary Events**

The occurrence of any Delisting, ETI Currency Change, ETI Modification, ETI Reclassification, ETI Redemption or Subscription Event, ETI Regulatory Action, ETI Reporting Event, ETI Strategy Breach, ETI Termination, Insolvency, Merger Event, Nationalisation or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change, Listing Suspension or Tender Offer, as the case may be, shall be deemed to be an "Extraordinary Event", the consequences of which are set forth in ETI Linked Note Condition 12.2 (*Consequences of an Extraordinary Event*):

**"Delisting"** means, in respect of any relevant ETI Interest, the Exchange announces that pursuant to the rules of such Exchange, such ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New

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York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

**"ETI Currency Change"** means that the net asset value of the ETI is quoted in a different currency to that quoted as of the Trade Date of the Notes.

**"ETI Modification"** means any change or modification of the ETI Documents that in the determination of the Calculation Agent could reasonably be expected to affect the value of the ETI Interests or the rights of or remedies available to any holders thereof on the Trade Date of the Notes.

**"ETI Reclassification"** means (a) the occurrence of the reclassification of the ETI Interests or (b)(i) proposal for or (ii) the occurrence of the acquisition of the ETI by, or the aggregation of the ETI into, another fund the mandate, risk-profile and/or benchmarks of which the Calculation Agent determines to be different from the mandate, risk-profile and/or benchmarks of the ETI as compared to the Trade Date of the Notes (or any proposal for the foregoing occurs).

**"ETI Redemption or Subscription Event"** means (i) the suspension of any transfer of any ETI Interests, (ii) the introduction of a mandatory redemption or partial redemption of the ETI Interests, (iii) the non-execution of any creation, subscription or redemption order in respect of the ETI Interests, or (iv) the introduction or proposed introduction of subscription or redemption fees or an increase of such fees with respect to the ETI Interests in excess of those in effect as of the Trade Date of the Notes.

**"ETI Regulatory Action"** means (i) any cancellation, suspension or revocation of the registration or approval of the ETI or the ETI Interests by any governmental, legal or regulatory entity with authority over the ETI or the ETI Interests, (ii) any change in the legal, tax, accounting or regulatory treatments of the ETI, any ETI Manager or the ETI Interests that the Calculation Agent determines has or is reasonably likely to have an adverse impact on the investors in the ETI or the holders of the ETI Interests or on the value of the ETI Interests, or (iii) the ETI or its ETI Manager becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving any activities relating to or resulting from the operation of the ETI, (including, without limitation, any future, announced or implemented material change to any one or more exemptive orders, no action letters or interpretative guidance of the U.S. Securities and Exchange Commission (the "**SEC**"), including guidance issued by the SEC's staff, relating to the ETI or to exchange traded funds generally that affects holders of the ETI Interests, whether occurring through action of the SEC or otherwise, including as a result of a court order or executive order) that the Calculation Agent determines has or is reasonably likely to have a material adverse effect on the value, redeemability or liquidity of the ETI Interests, or the operation of the ETI in accordance with the terms of the ETI Documents or (iv) the issuance by the SEC of an order to suspend the redemption obligations of the ETI, to freeze assets of the ETI or to take any other action that the Calculation Agent determines is reasonably likely to have a material effect on the value, redeemability or liquidity of the ETI.

**"ETI Reporting Event"** means, the occurrence of any event affecting the ETI that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the net asset value of the ETI, and such event continues for at least five consecutive Exchange Business Days.

**"ETI Strategy Breach"** means any change to, breach or violation, intentional or otherwise, of the ETI Strategy that is reasonably likely to affect the value of the ETI Interest or the rights of or remedies available to any holders thereof.

**"ETI Termination"** means the cessation or unwinding, by the ETI Manager, of the legal arrangements which gave rise to the ETI.

**"Extraordinary Event Effective Date"** means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

**"Illiquidity"** means, in respect of ETI Linked Notes relating to a Basket of ETI Interests, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days, notwithstanding the occurrence of a Disrupted Day, falling after the Issue Date (the **"Relevant Period"**), (a) the difference between the bid prices and the ask prices in respect of an ETI Interest during the Relevant Period is greater than 1 per cent. (based on an arithmetic mean average over the Relevant Period), and/or (b) the arithmetic mean average purchase price or the arithmetic mean average selling price, determined by the Calculation Agent from the order book of the relevant ETI Interest on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of ETI Interests with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1 per cent. (in relation to a purchase of ETI Interests) or lower than the MID minus 1 per cent. (in relation to a sale of ETI Interests). For these purposes, **"MID"** means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant ETI Interest at the relevant time, (ii) divided by two.

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the ETI (a) all the ETI Interests of such ETI are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the ETI Interests of such ETI become legally prohibited from transferring such ETI Interests.

**"Listing Change"** means, in respect of any relevant ETI Interests, that such ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such ETI Interests were listed, traded or publicly quoted on the Issue Date of the relevant Notes, for any reason (other than a Merger Event or Tender Offer).

**"Listing Suspension"** means, in respect of any relevant ETI Interests, that the listing of such ETI Interests on the Exchange has been suspended.

**"Merger Event"** means, in respect of any relevant ETI Interests, any:

- reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person,
- consolidation, amalgamation, merger or binding share exchange of the ETI, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETI is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding),
- takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of such ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or
- consolidation, amalgamation, merger or binding share exchange of the ETI or its subsidiaries with or into another entity in which such ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event,

in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Notes, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Note or (ii) in the case of Physical Delivery Notes, the Maturity Date.

**"Nationalisation"** means that all the ETI Interests or all or substantially all the assets of the ETI are nationalised, expropriated or are otherwise transferred to any governmental agency, authority, entity or instrumentality thereof.

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares of the ETI, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

### 13.1 Consequences of an Extraordinary Event

If an Extraordinary Event occurs in relation to an ETI Interest, the Issuer may take any of the relevant actions described in (a), (c) or (d) (in the case of Notes relating to either a single ETI Interest or a Basket of ETI Interests), or (b) or (e) below (in the case of Notes relating to a Basket of ETI Interests) as it deems appropriate:

require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the

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Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Notes. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the ETI Interests traded on that options exchange. In addition, in relation to a Basket of ETI Interests, the Calculation Agent may adjust the Basket of ETI Interests in accordance with the provisions of subparagraph (e) below;

in the case of ETI Linked Notes relating to a Basket of ETI Interests, redeem in part by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed in part the portion (the "**Redeemed Amount**") of each Note, representing the affected ETI Interest(s) shall be redeemed and the Issuer will:

if Highest Value is specified as applicable in the applicable Final Terms, pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a);

if Market Value is specified as applicable in the applicable Final Terms, pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or

if the Calculation Agent determines that such Extraordinary Event constitutes a force majeure, and if ETI Linked Note Condition 12.2(b)(iii) is specified in the applicable Final Terms, the Issuer will pay to each Noteholder an amount in respect of each Note held by such Noteholder, which amount shall be equal to the fair market value of a Note, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem in part the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of partial redemption; or

otherwise, pay to each Noteholder in respect of each Note held by him an amount equal to the fair market value of the Redeemed Amount taking into account the relevant Extraordinary Event, less, unless if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner; and

require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for such redemption in part.

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For the avoidance of doubt the remaining part of each Note after such redemption and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*);

- (a) (i) unless Delayed Redemption on Occurrence of an Extraordinary Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes at the amount equal to the fair market value of such Note taking into account the relevant Extraordinary Event, less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
- (ii) if Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of such Note, taking into account the relevant Extraordinary Event, less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms); or
- (iii) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a); or
- (iv) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in

#### ANNEX 4 – ADDITIONAL TERMS AND CONDITIONS FOR ETI LINKED NOTES

respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or

- (v) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c); or
  - (vi) if the Calculation Agent determines that such Extraordinary Event constitutes a force majeure, and if ETI Linked Note Condition 12.2(c)(vi) is specified in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder, which amount shall be equal to the fair market value of a Note, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption.
- (b) following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (c) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of ETI Interests to include an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") for each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary Event and the Substitute ETI Interest will be deemed to be an "ETI Interest" and the relevant issuer of such Substitute ETI Interest, an "ETI" for the purposes of the Notes,

#### ANNEX 4 – ADDITIONAL TERMS AND CONDITIONS FOR ETI LINKED NOTES

and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Notes are Physical Delivery Notes) and/or the Weighting and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the Initial Price of the Affected ETI Interest, the Initial Price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

"A" is the official closing price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected ETI Interest; and

"C" is the official closing price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of ETI Interests will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") acting in good faith and in a commercially reasonable manner and specified in the notice referred to below which may, but need not, be the relevant Extraordinary Event Effective Date.

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner:

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person (other than the Affected ETI Interest) that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (a) the relevant share/unit/interest is not already included in the Basket of ETI Interests and (b) it is or as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or



- (ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is already included in the Basket of ETI Interests, or (b) where the Extraordinary Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives, investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent.

If the Calculation Agent determines that more than one Extraordinary Event occurs in respect of ETI, which are not connected and have different consequences pursuant to this ETI Linked Note Condition 12.2, the Calculation Agent will determine which such Extraordinary Event and related consequences shall apply acting in good faith and in a commercially reasonable manner.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto.

**14. Correction of ETI Interest Price (ETI Shares)**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Notes, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

**15. Calculations and Determinations (ETI Shares)**

To the extent permitted by any applicable law, the Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Linked Note Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate acting in good faith and in a commercially reasonable manner having regard in each case to the criteria stipulated in the ETI Linked Note Conditions, the hedging arrangements in respect of the Notes and the nature of the relevant ETI and related ETI Interests.

## ANNEX 5

## ADDITIONAL TERMS AND CONDITIONS FOR DEBT LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Debt Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Debt Linked Notes set out below (the "**Debt Linked Note Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Debt Linked Note Conditions, the Debt Linked Note Conditions shall prevail.

**1. Settlement Price**

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Note and subject as referred to in "Averaging Date" or "Valuation Date":

- (a) in the case of Debt Linked Notes relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument as (x) the Reference Price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time as determined by or on behalf of the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the Reference Prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such prices to be expressed as a percentage of the nominal amount of such Debt Instrument (y) multiplied by the product of the nominal amount of such Debt Instrument and the relevant Weighting; and
- (b) in the case of Debt Linked Notes relating to a single Debt Instrument, an amount equal to (x) the Reference Price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time as determined by or on behalf of the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the Reference Prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such prices to be expressed as a percentage of the nominal amount of the Debt Instrument (y) multiplied by the nominal amount of such Debt Instrument.

**2. Exchange Business Day**

"**Exchange Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Exchange Business Day Centre(s) specified in the applicable Final Terms.

**3. Market Disruption**

"**Market Disruption Event**" shall mean, in respect of a Debt Instrument, the suspension of or limitation imposed on trading either on any exchange on which such Debt Instrument is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Instrument are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) that a Market Disruption Event has occurred.

**4. Correction of Debt Instrument Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Notes, if the price of the relevant Debt Instrument published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes, is subsequently corrected and the correction published by the relevant exchange within the number of days equal to the Debt Instrument Correction Period of the original publication, the price to be used shall be the price of the relevant Debt Instrument as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

**5. Redemption or Cancellation of a Debt Instrument**

Notwithstanding Base Condition 13 (*Additional Disruption Events And Optional Additional Disruption Events*), if on or prior to the last Averaging Date or the last Valuation Date, any Debt Instrument is redeemed (including any early redemption) or cancelled by the relevant Debt Instrument Issuer (a "**Debt Instrument Redemption Event**"), then:

unless Delayed Redemption on Occurrence of Debt Instrument Redemption Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note, being redeemed at an amount equal to the fair market value of such Note taking into account the Debt Instrument Redemption Event, less, except in case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or

if Delayed Redemption on Occurrence of Debt Instrument Redemption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Debt Instrument Redemption Event less, except in case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the

Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Debt Instrument Redemption Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, at the Protected Amount (specified in the applicable Final Terms).

The Calculation Agent shall, as soon as practicable, notify the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), of any determination made by it pursuant to this Debt Linked Note Condition 5 and the action proposed to be taken in relation thereto and the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), shall make available for inspection by Noteholders copies of any such determinations.

## 6. **Futures Price Valuation**

If "Futures Price Valuation" is specified as applicable in the applicable Final Terms the following provisions shall apply to these Debt Linked Note Conditions:

"**Settlement Price**" means an amount equal to the Daily Settlement Price of the relevant Current Exchange-traded Contract as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies, "Scheduled Trading Day" will be deemed to mean a day on which the Daily Settlement Price of the relevant Current Exchange-traded Contract is scheduled to be published by the relevant Futures or Options Exchange.

If Futures Price Valuation applies the Disrupted Day provisions in the Base Conditions and/or these Debt Linked Note Conditions will not apply in relation to any Current Exchange-traded Contract.

For these purposes:

"**Current Exchange-traded Contract**" means (a) if the Notes are not Rolling Futures Contract Notes, the Exchange-traded Contract and (b) if the Notes are Rolling Futures Contract Notes, the futures contract determined pursuant to Debt Linked Note Condition 7 (*Rolling Futures Contract Notes*) below.

"**Daily Settlement Price**" means the daily settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract

published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

**"Exchange-traded Contract"** means the futures or options contract(s) specified as such in the applicable Final Terms, in each case, identified by reference to (a) the Synthetic Debt Instrument to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Notes are not Rolling Futures Contract Notes, the delivery or expiry month of such contract or (ii) if the Notes are Rolling Futures Contract Notes, the specified period of each such contract and the Futures Rollover Date.

**"Futures or Options Exchange"** means the relevant exchange specified in the description of the Exchange-traded Contract in the applicable Final Terms or any successor to such exchange.

**"Futures Rollover Date"** means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent acting in good faith and in a commercially reasonable manner within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

**"Non-Commencement or Discontinuance of an Exchange-traded Contract"** means there is no Daily Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to the Valuation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Current Exchange-traded Contract.

**"Synthetic Debt Instrument"** means the synthetic debt instrument to which an Exchange-traded Contract relates, as described in the applicable Final Terms.

Debt Linked Note Condition 3 (*Market Disruption*), Debt Linked Note Condition 4 (*Correction of Debt Instrument Price*) and Debt Linked Note Condition 5 (*Redemption or Cancellation of a Debt Instrument*) will not apply if Futures Price Valuation applies.

If Futures Price Valuation applies, references in the Base Conditions, Formulas Conditions to a "Debt Instrument" or "Debt Instruments" are deemed to be references to a Current Exchange-traded Contract or "Current Exchange-traded Contracts", as applicable.

## 7. **Rolling Futures Contract Notes**

If the applicable Final Terms specify that the Notes are "Rolling Futures Contract Notes", the Notes will be valued by reference to futures contracts relating to the Synthetic Debt Instrument that have delivery or expiry months that do not correspond with the term of the Notes. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such

contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of Debt Linked Note Condition 8 (*Adjustments to an Exchange-traded Contract*) or Debt Linked Note Condition 9 (*Non-Commencement or Discontinuance of an Exchange-traded Contract*) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Notes then:

- (a) unless Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note, being redeemed equal to the fair market value of such Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
- (b) if Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms).

## 8. Adjustments to an Exchange-traded Contract

In the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

**9. Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Issuer may take the action described in (a) below or require the Calculation Agent to take the action described in (b) below:

- (a)
- (i) unless Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note, being redeemed equal to the fair market value of such Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, except in case of Italian Listed Notes Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
- (ii) if Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract less, except in case of Italian Listed Notes Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "Calculated Contract Adjustment Amount") as soon as practicable following the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "Calculated Contract Adjustment Amount Determination Date") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, at the Protected Amount (as specified in the applicable Final Terms); or
- (b) (i) replace the relevant Exchange-traded Contract affected by the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "Affected Exchange-traded Contract") with a substitute Exchange-traded Contract (the "Substitute Exchange-traded Contract"), as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, has similar contract specifications to those of the Affected Exchange-traded Contract and (ii) make such adjustments to adjust such terms of the Notes as it determines acting in good faith and in a commercially reasonable manner to be appropriate to preserve the economic

position of the Noteholders prior to such replacement. Such replacement will be deemed to be effective as of the date selected by the Calculation Agent, acting in good faith and in a commercially reasonable manner, and specified in the notice referred to below. The Substitute Exchange-traded Contract will be deemed to be an "Exchange-traded Contract" for the purposes of the Notes.

Notwithstanding the foregoing, in the case of Italian Listed Notes the Calculation Agent will adjust any relevant terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes.

The Calculation Agent shall, as soon as practicable, notify the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), of any determination made by it pursuant to this Debt Linked Note Condition 9 and the action proposed to be taken in relation thereto and the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), shall make available for inspection by Noteholders copies of any such determinations.

#### **10. Correction of the Daily Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Notes, if the Daily Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction is published by the relevant Futures or Options Exchange, within the number of days equal to the Daily Settlement Price Correction Period of the original publication, the Daily Settlement Price to be used shall be the Daily Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

#### **11. Definitions**

**"Clearance System"** means the principal domestic clearance system customarily used for settling trades in the relevant securities or contracts.

**"Clearance System Days"** means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

**"Daily Settlement Price Correction Period"** means the period specified as such in the applicable Final Terms or if none, one Settlement Cycle.

**"Debt Instrument Correction Period"** means the period specified as such in the applicable Final Terms or if none, one Settlement Cycle.



ANNEX 5 – ADDITIONAL TERMS AND CONDITIONS FOR DEBT LINKED NOTES

"**Debt Instrument Issuer**" means, in respect of a Debt Instrument, the issuer of such Debt Instrument.

"**Disrupted Day**" means any Scheduled Trading Day on which a Market Disruption Event has occurred.

"**Protected Amount**" means the amount specified as such in the applicable Final Terms.

"**Reference Price**" means, in respect of a Debt Instrument, the bid price, mid price, offer price, bid yield, mid yield or offer yield specified as such for such Debt Instrument in the applicable Final Terms.

"**Scheduled Trading Day**" means an Exchange Business Day.

"**Settlement Cycle**" means, in respect of a Debt Linked Note or Exchange-traded Contract, the period of Clearance System Days following a trade in such security or contract, as the case may be, on the relevant exchange in which settlement will customarily occur according to the rules of such exchange.

## ANNEX 6

## ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Commodity Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Commodity Linked Notes set out below (the "**Commodity Linked Note Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Commodity Linked Note Conditions, the Commodity Linked Note Conditions shall prevail.

### 1. Definitions

**"Basket Component"** means any Commodity or Commodity Index comprised in a Basket of Commodities;

**"Basket of Commodities"** means a basket comprising two or more Commodities and/or Commodity Indices;

**"Commodity"** means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the applicable Final Terms;

**"Commodity Business Day"** means:

- (a) in respect of a Commodity or a Commodity Index:
  - (i) where the Commodity Reference Price for the relevant Commodity or Commodity Index is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
  - (ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant Commodity or Commodity Index; or
- (b) in the case of a Basket of Commodities, a day on which the Commodity Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above,

**"Commodity Disrupted Day"** means any day on which a Market Disruption Event has occurred;

"**Commodity Fallback Value**" means:

- (i) in respect of any Commodity, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or
- (ii) in respect of any Commodity Index or Basket of Commodities, the price for such Commodity Index or Basket of Commodities, as the case may be, in respect of the relevant Pricing Date determined by the Calculation Agent using the current applicable method of calculating such Commodity Index or the method for determining the value of the Basket of Commodities, as the case may be, as set out in the applicable Final Terms using the price or level for each Index Component or Basket Component, as the case may be, determined as follows:
  - (a) in respect of each Index Component or Basket Component, as the case may be, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Index Component or Basket Component, as the case may be, on such Pricing Date; and
  - (b) in respect of each Index Component or Basket Component, as the case may be, which is affected by the Market Disruption Event (each an "**Affected Item**"), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding Pricing Date that is not a Commodity Disrupted Day, unless each of the number of consecutive Pricing Dates equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is a Commodity Disrupted Day. In that case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a Commodity Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item based upon the price at which the Issuer is able to sell or otherwise realise any hedge positions in respect of the Notes during the period of five Commodity Business Days following the last such consecutive Pricing Date;

"**Commodity Index**" means each index specified as such in the applicable Final Terms or an index comprising one or more commodities, contracts for the future delivery of a commodity, indices linked to a single commodity or indices comprised of multiple commodities (each an "**Index Component**");

"**Commodity Reference Price**" means, in respect of any Commodity or any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms;

**"Delivery Date"** means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (a) if the Notes are not Rolling Futures Contract Notes:
  - (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
  - (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and
  - (iii) if a method is specified in the applicable Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;
- (b) if the Notes are Rolling Futures Contract Notes, the delivery date for a futures contract selected by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Futures Rollover Date or if none the Issue Date.

**"Disappearance of Commodity Reference Price"** means (a) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Commodity or Index Component or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Index Component;

**"Disruption Fallback"** means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified, the Calculation Agent shall determine the relevant actions in accordance with Commodity Linked Note Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*).

**"Exchange"** means, in respect of a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Final Terms or in the Commodity Reference Price and in the case of a Commodity Index, the exchange or principal trading market for each Index Component comprising such Commodity Index;

**"Final Pricing Date"** or **"Final Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Final Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Final Interest Pricing Date";

**"Futures Contract"** means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price;

**"Futures Rollover Date"** means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent acting in good faith and in a commercially reasonable manner within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

**"Index Component Disruption Event"** means:

- (a) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (b) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

**"Initial Pricing Date"** or **"Initial Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Initial Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Initial Interest Pricing Date";

**"Intraday Price"** means, in respect of a Commodity, Commodity Index or Index Component and any time on a Pricing Date, the Relevant Price of such Commodity, Commodity Index or Index Component at such time on such day, as determined by the Calculation Agent, subject as provided in Commodity Linked Note Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) and, if applicable, Commodity Linked Note Condition 4 (*Adjustments to a Commodity Index*).

**"Limit Price Event"** means that the settlement price of any Commodity or Index Component has increased or decreased from the previous day's published settlement price by an amount equal to the maximum amount permitted under the applicable exchange rules for such Commodity or Index Component.

**"Material Change in Content"** means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Index Component;

**"Material Change in Formula"** means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price or any Index Component used to calculate the Commodity Reference Price;

**"Nearby Month"**, when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (a) "First Nearby Month" means the month of expiration of the first Futures Contract to expire following that Pricing Date; (b) "Second Nearby Month" means the month of expiration of the second Futures Contract to expire following that Pricing Date; and (c) "Sixth Nearby Month" means the month of expiration of the sixth Futures Contract to expire following that Pricing Date;

**"Price Source"** means the publication (or such other origin of reference, including an Exchange or Index Sponsor or Index Calculation Agent) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

**"Price Source Disruption"** means (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source;

**"Pricing Date"** or **"Interest Pricing Date"** means each date specified in the Final Terms as being the Initial Pricing Date, an Averaging Date, an Observation Date, an Automatic Early Redemption Valuation Date or the Final Pricing Date or if any such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day, unless, in the opinion of the Calculation Agent, such day is a Commodity Disrupted Day, in which case, the relevant Pricing Date or Interest Pricing Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Commodity Disrupted Day, unless each of the number of consecutive Commodity Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date or Scheduled Interest Pricing Date, as the case may be, is a Commodity Disrupted Day. In that case, (A) the last such consecutive Commodity Business Day shall be deemed to be the Pricing Date or Interest Pricing Date, as the case may be, notwithstanding the fact that such day is a Commodity Disrupted Day, and (B) the Calculation Agent shall take action in accordance with the provisions of Commodity Linked Note Condition 3 (*Consequence of a Market Disruption Event and Disruption Fallbacks*). References in these Conditions to "Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Interest Pricing Date";

**"Reference Dealers"** means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

**"Relevant Price"** means, for any Pricing Date, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or any Index Component, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Linked Note Conditions and the applicable Final Terms;

**"Scheduled Pricing Date"** or **"Scheduled Interest Pricing Date"** means any original date that, but for the occurrence of an event causing a Market Disruption Event, would have been a Pricing Date. References in these Conditions to "Scheduled Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Scheduled Interest Pricing Date";

**"Scheduled Trading Day"** means, if the Notes are Hybrid Notes and Hybrid Business Day is specified as applicable in the applicable Final Terms, for the purpose of determining whether a day is a Hybrid Business Day, a Commodity Business Day;

**"Settlement Price"** means, in respect of a single Commodity, the Relevant Price, or, in the case of a Basket of Commodities, the sum of the values calculated in respect of each Basket Component as the Relevant Price of such Basket Component multiplied by the relevant Weighting;

**"Specified Maximum Days of Disruption"** means five (5) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

**"Specified Price"** means, in respect of a Commodity Reference Price for a Commodity Index, (A) the closing or (B) daily official level of such Commodity Index and in respect of any other Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; (o) the arithmetic average of bid and offer prices at 5.30pm (CET) on the Pricing Date;

**"Tax Disruption"** means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index or any Index Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

**"Trading Disruption"** means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Index Component on the Exchange or in any additional futures contract, options contract, commodity index or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (a) a suspension of the trading in the Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:

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- (i) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or
  - (ii) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Index Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the relevant Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Index Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Index Component, as the case may be, on such day is at the upper or lower limit of that range.

### 2. Market Disruption

"**Market Disruption Event**" means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price, Limit Price Event; and in addition
- (b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (c) in the case of a Commodity Index, an Index Component Disruption Event; or
- (d) in the case of a Commodity that is an EU Allowance, a Settlement Disruption Event, an Abandonment of Scheme, an Administrator Event or an Absence of Registry Operations (each of which is defined in Commodity Linked Note Condition 7 below).

The Calculation Agent shall give notice as soon as practicable to Noteholders, in accordance with Base Condition 16 (*Notices*) of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

### 3. Consequences of a Market Disruption Event and Disruption Fallbacks

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the



## ANNEX 6 – ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED NOTES

Calculation Agent may, acting in good faith and in a commercially reasonable manner, take the action described in (a), (b), (c) or, in case of a Commodity that is an EU Allowance, (d) below:

- (a) the Calculation Agent shall determine if such event has a material effect on the Notes and, if so shall calculate the relevant Interest Amount and/or Cash Settlement Amount and/or make any other relevant calculation using, in lieu of a published price or level for that Commodity or Commodity Index, as the case may be, the price or level for that Commodity or Commodity Index as determined by the Calculation Agent using the Commodity Fallback Value; or
- (b) the Calculation Agent may substitute the relevant Commodity, Commodity Reference Price or Index Component with a Commodity, Commodity Reference Price or Index Component, as the case may be, selected by it in accordance with the criteria set out below (each, a “**Substitute Commodity**”, “**Substitute Commodity Reference Price**” or a “**Substitute Index Component**”) for each Commodity, Commodity Reference Price or Index Component, as the case may be, (each, an “**Affected Commodity**”, “**Affected Commodity Reference Price**” or “**Affected Index Component**”, as the case may be), which is affected by the Market Disruption Event and the Substitute Commodity, Substitute Commodity Reference Price or Substitute Index Component, as the case may be, will be deemed to be a “**Commodity**”, “**Commodity Reference Price**” or an “**Index Component**”, as the case may be, for the purposes of the Notes, and the Calculation Agent will make such adjustment(s), if any, to any one or more of the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to take account of the substitution, provided that in the event that any amount payable under the Notes was to be determined by reference to the initial price of the Commodity, the Commodity Reference Price or the Index Component, as the case may be, the initial price or level of each Substitute Commodity, Substitute Commodity Reference Price or Substitute Index Component, as the case may be, will be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

In order to be selected as a Substitute Commodity, the Substitute Commodity shall be valued on the basis of a futures contract on similar terms to the Affected Commodity, relating to the same Commodity as the Affected Commodity and, if relevant, with a delivery date corresponding to the Affected Commodity.

In order to be selected as a Substitute Commodity Reference Price, the Substitute Commodity Reference Price shall be a benchmark, price or quotation selected by the Calculation Agent, acting in good faith and a commercially reasonable manner and which in its determination is or will be used by market participants as a substitute for the Affected Commodity Reference Price.

In order to be selected as a Substitute Index Component, the Substitute Index Component shall be an alternative futures contract or commodity index relating to a futures contract on similar terms to the Affected Index Component.

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Such substitution and the relevant adjustment(s) (if any) will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") acting in good faith and in a commercially reasonable manner which may, but need not, be the relevant date of the Market Disruption Event. Such substitution will be notified to the Noteholders as soon as practicable after the Substitution Date in accordance with Base Condition 16 (*Notices*); or

- (c)
- (i) unless Highest Value, Market Value or Monetisation Option are specified in the applicable Final Terms, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*);
  - (ii) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a);
  - (iii) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or
  - (iv) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c); or
  - (v) if the Calculation Agent determines that such Market Disruption Event constitutes a *force majeure*, and if Commodity Linked Note Condition 3(c)(v) is specified in the applicable Final Terms, the Issuer will, on giving notice to Noteholder in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder, which amount shall be equal to the fair market value of a Note taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value)

and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption.

- (d) in the case of a Commodity that is an EU Allowance, the Calculation Agent may determine, acting in good faith and in a commercially reasonable manner, the appropriate adjustment(s), if any, to be made to the EU Allowance, the Commodity Reference Price and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to take account of the Market Disruption Event and determine the effective date of such adjustment.

#### 4. Adjustments to a Commodity Index

##### 4.1 Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that commodity index (the "**Successor Commodity Index**") will be deemed to be the Commodity Index.

##### 4.2 Modification and Cessation of Calculation of a Commodity Index

If (a) on or prior to the last Averaging Date, the last Observation Date, the Final Interest Pricing Date or the Final Pricing Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent contracts or commodities and other routine events) (a "**Commodity Index Modification**"), or permanently cancels a relevant Commodity Index and no Successor Commodity Index exists (a "**Commodity Index Cancellation**"), or (b) on any Averaging Date, Observation Date, Interest Pricing Date or other Pricing Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Commodity Index (a "**Commodity Index Disruption**" and, together with a Commodity Index Modification and a Commodity Index Cancellation, each a "**Commodity Index Adjustment Event**"), then:

- (i) the Calculation Agent shall determine if such Commodity Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the Relevant Price using, in lieu of a published level for that Commodity Index, the Commodity Fallback Value; or
- (ii) (A) unless Highest Value, Market Value or Monetisation Option are specified as applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed, the Issuer will pay an amount to each Noteholder in respect of each Note, being redeemed at an amount equal to the fair market value of a Note taking into account

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the Commodity Index Adjustment Event, less, except in the case of Italian Listed Notes Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*);

- (B) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Note Condition 11(a);
- (C) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Note Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or
- (D) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c); or
- (E) if the Calculation Agent determines that such Commodity Index Adjustment Event constitutes a *force majeure*, and if Commodity Linked Note Condition 4(b)(v) is specified in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder, which amount shall be equal to the fair market value of a Note taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption.

Notwithstanding the foregoing, the Calculation Agent will adjust any relevant terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes.

### 5. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Notes, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

#### 6. **Rolling Futures Contract Notes**

If the applicable Final Terms specify that the Notes are "Rolling Futures Contract Notes", the Commodity Reference Price in respect of the Notes will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Notes. In such case, on or prior to the Issue Date, the Calculation Agent will select the relevant Futures Contract and for each following day until the Futures Rollover Date such futures contract will be the Futures Contract for the purposes of the Commodity Reference Price. On each Futures Rollover Date, the Calculation Agent will select another Futures Contract and such contract shall be the Futures Contract for the purposes of the Commodity Reference Price until the next occurring Futures Rollover Date. If on a Futures Rollover Date a Market Disruption Event or a Commodity Index Adjustment Event occurs and it is impossible or materially impracticable for the Calculation Agent to select a Futures Contract and/or at such time hedge the Issuer's obligations in respect of the Notes then the provisions of Commodity Linked Note Condition 3 (*Consequence of a Market Disruption Event and Disruption Fallbacks*) and Commodity Linked Note Condition 4 (*Adjustments to a Commodity Index*), as applicable, shall apply to the Notes.

#### 7. **EU Emissions Allowances**

If one or more Commodities are specified to be an "EU Allowance" in the applicable Final Terms, in respect of any such Commodity, the following additional provisions shall apply to these Commodity Linked Note Conditions:

"**Abandonment of Scheme**" means the Scheme is, as a result of official written public pronouncement by the European Community, no longer scheduled to proceed or is to be discontinued;

"**Absence of Registry Operation**" means, other than by reason of the occurrence of an Administrator Event, the absence of:

- (i) the establishment of and continuing functioning of the Relevant Registry;
- (ii) the establishment of and continuing functioning of the EUTL;
- (iii) the establishment of and continuing functioning of the link between each of the Relevant Registry and the EUTL; and/or

(iv) the continued functioning of the link between each of the LSTL and the EUTL;

"**Administrator Event**" means the suspension of some or all of the processes of the Relevant Registry, the EUTL or, if applicable, the LSTL, in accordance with the Registries Regulation by the relevant National Administrator or the Central Administrator (as applicable) (i) where that Relevant Registry is not operated and maintained in accordance with the provisions of the Registries Regulation, or any other applicable law, (ii) for the purpose of carrying out scheduled or emergency maintenance, (iii) where there has been, or following reasonable suspicion of, a breach of security which threatens the integrity of the registries system (including any back up facilities) or (iv) where the mutual recognition of EU Allowances under a relevant Linking Agreement has been suspended in accordance with the terms of such Linking Agreement;

"**Central Administrator**" means the person designated by the EU Commission to operate and maintain the EUTL pursuant to Article 20(1) of the Emissions Directive;

"**Emissions Directive**" means Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, as amended from time to time;

"**EU Allowance**" means an allowance to emit one tonne of carbon dioxide (CO<sub>2</sub>) equivalent during a specified period which is valid for meeting emissions related commitment obligations under the Scheme and including allowances stemming from emission trading systems that are linked with the EU ETS pursuant to Article 25 of the Emissions Directive relating to a specified compliance period which may be either the Third Compliance Period or the Fourth Compliance Period depending on the underlying of the Commodity Reference Price;

"**EU ETS**" has the meaning given to it in the Emissions Directive;

"**EUTL**" means the independent transaction log provided for in Article 20(1) of the Emissions Directive, the operation of which is further detailed in Article 5 of the Registries Regulation;

"**Fourth Compliance Period**" means the period starting on 1 January 2021 and ending on 31 December 2030;

"**Hedge Provider**" means the party (being, inter alios, the Issuer, the Guarantor, the Calculation Agent, any Affiliate of the Issuer, the Guarantor or the Calculation Agent or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or where no such party hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of EU Allowances, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of EU Allowances as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the Notes;

**"Holding Account"** means a form of digital record maintained in a Registry (pursuant to and in accordance with the Registries Regulation) that is able to be used to record the allocation (if applicable), holding and transfer of EU Allowances that are to be delivered in respect of any hedging arrangements entered into by the Hedge Provider pursuant to and in accordance with the Scheme;

**"Hypothetical Investor"** means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation), which may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor, the Calculation Agent or any of their Affiliates (as determined by the Calculation Agent in the context of the relevant situation);

**"Linking Agreement"** means an agreement between the European Union and a non-Member State on the linking of their greenhouse gas emissions trading systems, as envisaged under Article 25 of the Emissions Directive and which has entered into force in accordance with its terms, as amended from time to time;

**"LSTL"** means a transaction log of a non-Member State that is linked to the EUTL under the terms of a relevant Linking Agreement;

**"National Administrator"** means (i) the entity responsible for administering, on behalf of a Member State, a set of user accounts under the jurisdiction of a Member State in the Union Registry as designated in accordance with Article 7 of the Registries Regulation or (ii) the entity identified as an administrator in respect of an LSTL;

**"Registries Regulation"** means the Commission Delegated Regulation (EU) 2019/1122 of 12 March 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council as regards the functioning of the Union Registry, as amended from time to time;

**"Registry"** or **"Relevant Registry"** means the registry established by a Member State, a non-Member State or the EU, in order to ensure the accurate accounting of the issue, holding, transfer, acquisition, surrender, cancellation and replacement of EU Allowances. For the avoidance of doubt, references to a Registry shall include the Union Registry and the Holding Accounts within the Union Registry that are under the jurisdiction of a single National Administrator designated by a Member State and will together be deemed to be a Registry for that Member State, as specified in the applicable Final Terms;

**"Scheme"** means the scheme for transferring EU Allowances established pursuant to the Emissions Directive and the Registries Regulation, and as implemented by the national laws of Member States;

**"Settlement Disruption Event"** means an event or circumstance beyond the control of the Hedge Provider that cannot, after the use of all reasonable efforts, be overcome and which makes it impossible for such Hedge Provider to deliver or accept EU Allowances in accordance with the terms of the any hedging arrangements entered into by the Hedge Provider or otherwise trade EU Allowances or there is any limitation, restriction or impossibility of transfer of EU Allowances in the market generally. For the

## ANNEX 6 – ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED NOTES

avoidance of doubt, the inability of the Hedge Provider to deliver EU Allowances as a result of insufficient EU Allowances available to it, whether caused by the low or non-allocation of EU Allowances by a Member State or any other state, the delay or failure of a Member State or Central Administrator to replace allowances for a subsequent compliance period or the failure to procure sufficient EU Allowances to meet its delivery obligations, shall not constitute a Settlement Disruption Event;

**"Third Compliance Period"** means the period starting on 1 January 2013 and ending on 31 December 2020; and

**"Union Registry"** means the Registry referred to as the "Union registry" in Article 19(1) of the Emissions Directive.



## ANNEX 7

## ADDITIONAL TERMS AND CONDITIONS FOR INFLATION LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Inflation Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Inflation Linked Notes set out below (the "**Inflation Linked Note Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Inflation Linked Note Conditions, the Inflation Linked Note Conditions shall prevail.

**1. Definitions**

"**Cut-Off Date**" means, in respect of a Valuation Date, five Business Days prior to such Valuation Date;

"**Delayed Index Level Event**" means, in respect of any Valuation Date, that the Index Sponsor fails to publish or announce the Relevant Level;

"**Fallback Bond**" means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date or (c) the next shortest maturity before the Maturity Date, if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

"**Index Cancellation**" means a level for the Inflation Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Inflation Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and no Successor Index exists;

"**Index Modification**" means, in relation to an Inflation Index, the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Inflation Index or in any other way materially modifies the Inflation Index;

**"Index Sponsor"** means the entity that publishes or announces (directly or through an agent) the level of the Inflation Index which as of the Issue Date of the Notes is the index sponsor set out in the applicable Final Terms;

**"Inflation Index"** or **"Inflation Indices"** means the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly;

**"Rebased Index"** has the meaning given to it under Inflation Linked Note Condition 4 (*Adjustments*) below;

**"Reference Month"** means the calendar month specified in the applicable Final Terms for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Reference Level was reported;

**"Related Bond"** means the bond specified as such in the relevant Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not applicable" is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Maturity Date unless "Fallback Bond: Not applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination;

**"Related Bond Redemption Event"** means, if specified as applicable in the relevant Final Terms, at any time prior to the Maturity Date, (a) the Related Bond is settled, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity;

**"Relevant Level"** means, in respect of any Valuation Date, the level of the Inflation Index, in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Valuation Date at any time on or prior to the Cut-Off Date;

**"Settlement Price"** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Note, the Relevant Level;

**"Strike Date"** means the date specified as such in the applicable Final Terms;

**"Successor Inflation Index"** has the meaning given to it in Inflation Linked Note Condition 3 (*Successor Inflation Index*) below;

"**Substitute Inflation Index Level**" means, in respect of a Delayed Index Level Event, the Index Level determined by the Issuer in accordance with Inflation Linked Note Condition 2 below (*Delay in Publication*); and

"**Valuation Date**" means the Interest Valuation Date(s) and/or the Redemption Valuation Date specified in the applicable Final Terms.

## 2. **Delay in Publication**

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Valuation Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Valuation Date (the "**Substitute Inflation Index Level**") shall be determined by the Calculation Agent (subject to Inflation Linked Note Condition 4.2 (*Substitute Inflation Index Level*)) below as follows:

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

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

where:

"**Base Level**" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined;

"**Latest Level**" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined; and

"**Reference Level**" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall promptly give notice to the Noteholders in accordance with Base Condition 16 (*Notices*) of any Substitute Inflation Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation Linked Note Condition 2 will be the definitive level for that Reference Month.

### 3. **Successor Inflation Index**

If the Calculation Agent determines that the level of an Inflation Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and/or the Index Sponsor cancels the Inflation Index, then the Calculation Agent shall determine a successor index (a "**Successor Inflation Index**") (in lieu of any previously applicable Index) for the purposes of the Notes as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a "Successor Inflation Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- (b) if (i) Related Bond is specified as not applicable in the applicable Final Terms or (ii) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, the Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Inflation Index, such replacement index shall be designated a "Successor Inflation Index";
- (c) if no Successor Inflation Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if fewer than three responses are received by the Cut-Off Date or if each of the responses received state different indices the Calculation Agent will determine an appropriate alternative index, and such index will be deemed a "Successor Inflation Index"; or
- (d) if the Calculation Agent determines that there is no appropriate alternative index there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Inflation Index shall be deemed to replace the Index for the purposes of the Inflation Linked Notes. Notice of the determination of a Successor Inflation Index, the effective date of the Successor Inflation Index or the occurrence of an Index Cancellation will be given to Noteholders of the Inflation Linked Notes by the Issuer in accordance with Base Condition 16 (*Notices*).

#### **4. Adjustments**

##### **4.1 Successor Inflation Index**

If a Successor Inflation Index is determined in accordance with Inflation Linked Note Condition 3 (*Successor Inflation Index*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to the Final Redemption Amount payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems necessary acting in good faith and in a commercially reasonable manner. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Base Condition 16 (*Notices*).

##### **4.2 Substitute Inflation Index Level**

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Linked Note Condition 2 (*Delay in Publication*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to (a) the Substitute Inflation Index Level determined in accordance with Inflation Linked Note Condition 2 (*Delay in Publication*) above and/or (b) the Interest Amount and/or Final Redemption Amount payable under the Notes (if any) and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary acting in good faith and in a commercially reasonable manner, provided that if Inflation Index Level Adjustment is specified as applicable in the applicable Final Terms, the Calculation Agent will only be permitted to make any such adjustment in accordance with this Inflation Linked Note Condition 4.2 if the Calculation Agent determines that the delay in publication was not attributable to the Issuer, but substantially, alters the economics of the Notes compared to the economics as of the Issue Date. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Base Condition 16 (*Notices*).

##### **4.3 Index Level Adjustment Correction**

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Linked Note Condition 4.6 (*Index Modification*) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Valuation Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Noteholders of any valid revision in accordance with Base Condition 16 (*Notices*).
- (b) If, within 30 days of publication or at any time prior to a Valuation Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Valuation Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any relevant Interest Amount and/or the Final

Redemption Amount payable under the Notes (if any) and/or any other relevant term of the Notes as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Noteholders of any such adjustment and/or amount in accordance with Base Condition 16 (*Notices*).

- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Valuation Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (i) determine that such Relevant Level shall not be used in any calculation or determination under the Inflation Linked Notes and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (ii) to make any adjustment to any relevant Interest Amount and/or the Final Redemption Amount payable under the Notes (if any) and/or any other relevant term of the Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Noteholders of any determination in respect of (i) or (ii), together with any adjustment or amount in respect thereof, in accordance with Base Condition 16 (*Notices*).
- (d) Notwithstanding the foregoing, if Inflation Index Level Adjustment is specified as applicable in the applicable Final Terms, the Calculation Agent will only be permitted to make any such adjustment in accordance with this Inflation Linked Note Condition 4.3 if the Calculation Agent determines that the delay in publication was not attributable to the Issuer, but substantially, alters the economics of the Notes compared to the economics as of the Issue Date

#### 4.4 **Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency or Settlement Currency, as applicable, (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount and/or any Interest Amount and/or any other relevant term of the Notes as the Calculation Agent deems necessary acting in good faith and in a commercially reasonable manner, provided that if Currency Adjustment is specified as applicable in the applicable Final Terms, the Calculation Agent will only be permitted to make any such adjustment if the Calculation Agent determines that the event affecting the Specified Currency or the Settlement Currency was not attributable to the Issuer, but substantially alters the economics of the Notes compared to the economics as of the Issue Date. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Base Condition 16 (*Notices*).

#### 4.5 **Rebasing**

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the Relevant

Level from the date of such rebasing; provided, however, that the Calculation Agent may make (a) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (b) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, and in each case the Calculation Agent may make any adjustment(s) to any relevant Interest Amount and/or the Final Redemption Amount payable under the Notes (if any) and/or any other term of the Notes as the Calculation Agent may deem necessary acting in good faith and in a commercially reasonable manner. If the Calculation Agent determines that neither (a) nor (b) above would produce a commercially reasonable result, the Issuer may redeem each Note on a date notified by the Issuer to Noteholders in accordance with Base Condition 16 (*Notices*), in which event the Issuer will pay to each Noteholder in respect of each such Note, an amount equal to the fair market value of a Note, as determined by the Calculation Agent as at the date of redemption taking into account the rebasing, less, unless or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Base Condition 16 (*Notices*).

**4.6 Index Modification**

- (a) If on or prior to the Cut-Off Date in respect of any Valuation Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (i) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Notes (including, without limitation, the Final Redemption Amount payable under the Notes), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary acting in good faith and in a commercially reasonable manner, or (ii) if Related Bond is specified as not applicable in the applicable Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Inflation Linked Notes (including, without limitation, any relevant Interest Amount and/or the Final Redemption Amount payable under the Notes), as the Calculation Agent deems necessary acting in good faith and in a commercially reasonable manner for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.
- (b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Valuation Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Valuation Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Interest Payment Date and/or Maturity Date, as the case may be, such that the provisions of paragraph (a) above will apply, or, notwithstanding that the Index

Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with paragraph (a) above.

4.7 **Index Cancellation**

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may: elect for the Calculation Agent to calculate the relevant Interest Amount and/or relevant level using, in lieu of a published level for that Inflation Index, the level for that Inflation Index, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Inflation Index last in effect prior to cancellation;

- (i) unless Highest Value, Market Value or Monetisation Option are specified as applicable in the applicable Final Terms, redeem all but not some only of the Notes on the date notified by the Issuer to Noteholders in accordance with Base Condition 16 (*Notices*) in which event the Issuer will pay to each Noteholder in respect of such Note held by him an amount equal to fair market value of a Note as determined by the Calculation Agent as at the date of redemption taking into account the Index Cancellation, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer of unwinding or amending any related underlying hedging arrangements, payment being made in such manner as shall be notified to Noteholders in accordance with Base Condition 16 (*Notices*);
- (ii) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a);
- (iii) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or
- (iv) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c); or
- (v) if the Calculation Agent determines that such Index Cancellation constitutes a force majeure, and if Inflation Linked Note Condition 4.7(b)(v) is specified in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of



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each Note held by such Noteholder, which amount shall be equal to the fair market value of a Note, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption.

## ANNEX 8

## ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY LINKED NOTES

If specified as applicable in the applicable Final Terms, (the terms and conditions applicable to Notes specified in the applicable Final Terms as Currency Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Currency Linked Notes set out below (the "**Currency Linked Note Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Currency Linked Note Conditions, the Currency Linked Note Conditions shall prevail.

**1. Definitions**

"**Averaging Date**" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**Dual Exchange Rate**" means that any of the Base Currency, Alternative Currency and/or Alternative Currencies, splits into dual or multiple currency exchange rates;

"**Disrupted Day**" means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred;

"**FX Averaging Date**" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

**"FX Digital Level"** means:

- (a) if FX Digital Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all the FX Averaging Dates;
- (b) if Single Resettable Level is specified as applicable in the applicable Final Terms, the Settlement Price on the FX Digital Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or
- (c) if Multiple Resettable Level is specified as applicable in the applicable Final Terms, in respect of a Resettable Period, the Settlement Price on the FX Digital Observation Date specified for such Resettable Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

**"FX Digital Observation Date"** means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

**"FX Knock-in Level"** means:

- (a) if Knock-in Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-in Averaging Dates;
- (b) if Single Resettable Knock-in is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-in Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or
- (c) if Multiple Resettable Knock-in is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-in Period, the Settlement Price on the Knock-in Observation Date specified for such Resettable Knock-in Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

**"FX Knock-out Level"** means:

## ANNEX 8 – ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY LINKED NOTES

- (a) if Knock-out Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-out Averaging Dates;
- (b) if Single Resetable Knock-out is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-out Observation Date plus or minus, as indicated in the applicable Final Terms, the Resetable Adjustment;
- (c) if Multiple Resetable Knock-out is specified as applicable in the applicable Final Terms, in respect of a Resetable Knock-out Period, the Settlement Price on the Knock-out Observation Date specified for such Resetable Knock-out Period plus or minus, as indicated in the applicable Final Terms, the Resetable Adjustment;

**"Illiquidity Disruption"** means the occurrence of any event in respect of any of the Base Currency, Alternative Currency and/or Alternative Currencies whereby it becomes impossible for the Calculation Agent or Issuer to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent or Issuer to hedge its obligations under the Notes (in one or more transaction(s)) on the relevant Averaging Date or any Settlement Price Date (or, if different, the day on which rates for such Averaging Date or Settlement Price Date would, in the ordinary course, be published or announced by the relevant price source);

**"Knock-in Averaging Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

**"Knock-out Averaging Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a

## ANNEX 8 – ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY LINKED NOTES

Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

**"Knock-in Observation Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

**"Knock-out Observation Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

**"Observation Date"** means each date specified as an Observation Date in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

**"Price Source"** means the published source, information vendor or provider containing or reporting the rate or rates from which the Settlement Price is calculated as specified in the applicable Final Terms;

**"Price Source Disruption"** means that it becomes impossible to obtain the rate or rates from which the Settlement Price is calculated;

**"Protected Amount"** means the amount specified as such in the applicable Final Terms;

**"Resettable Knock-in Period"** means the period specified as such in the applicable Final Terms;

**"Resettable Knock-out Period"** means the period specified as such in the applicable Final Terms;

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

**"Scheduled Trading Day"** means a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the Base Currency and Alternative Currency or Alternative Currencies;

**"Settlement Price Date"** means each Averaging Date, Strike Day, Strike Date, FX Averaging Dates, FX Digital Observation Date, Knock-in Averaging Date, Knock-out Averaging Date, Knock-in Observation Date, Knock-out Observation Date, Observation Date or Valuation Date, as the case may be;

**"Specified Maximum Days of Disruption"** means the number of days specified in the applicable Final Terms, or if not so specified, five Scheduled Trading Days;

**"Strike Date"** means the Strike Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

**"Strike Day"** means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such

date), in each case, unless in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

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

"**Valuation Date**" means the Interest Valuation Date and/or the Redemption Valuation Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**Valuation Time**" means, unless otherwise specified in the applicable Final Terms, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated; and

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

## 2. **Disruption Events**

The occurrence of any of the following events, in respect of any Base Currency, Alternative Currency and/or Alternative Currencies, shall be a Disruption Event:

- (a) Price Source Disruption;
- (b) unless specified as not applicable in the applicable Final Terms, Illiquidity Disruption;
- (c) Dual Exchange Rate; or
- (d) any other event that, in the opinion of the Calculation Agent, is analogous to (a), (b) (if applicable) or (c).

The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Base Condition 16 (*Notices*) of the occurrence of a Disrupted Day on any day that but for the occurrence of the Disrupted Day would have been an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be.

## 3. **Consequences of a Disruption Event**

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Upon a Disruption Event occurring or continuing on any Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply the applicable Disruption Fallback in determining the consequences of the Disruption Event.

**"Disruption Fallback"** means a source or method that may give rise to an alternative basis for determining the Settlement Price when a Disruption Event occurs or exists on a day that is a Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (a), (b) or (c) below.

- (a) if a Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of any Settlement Price Date) or Valid Date (in the case of an Averaging Date or Strike Day) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Settlement Price Date is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Settlement Price Date (irrespective of whether that last consecutive Scheduled Trading Day is already a Settlement Price Date) and may determine the Settlement Price by using commercially reasonable efforts to determine a level for the Alternative Currency as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or
- (b) (i) if any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, and unless any of Delayed Redemption on Occurrence of a Disruption Event Highest Value, Market Value or Monetisation Option are specified as applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed, the Issuer will pay an amount to each Holder in respect of Note being redeemed at an amount equal to the fair market value of such Note taking into account the Disruption Event, less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
- (ii) if any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, and if Delayed Redemption on Occurrence of a Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note, taking into account the Disruption Event, less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements



## ANNEX 8 – ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY LINKED NOTES

(the "**Calculated Currency Disruption Amount**") as soon as practicable following the occurrence of the Disruption Event (the "**Calculated Currency Disruption Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Currency Disruption Amount plus interest accrued from and including the Calculated Currency Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms);

- (iii) if any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, and if Highest Value is specified in the applicable Final Terms, the Issuer will, on giving notice to Holders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Holder an amount in respect of each Note held by such Holder calculated and paid on such date determined, in accordance with Base Condition 11(a);
  - (iv) if any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, and if Market Value is specified in the applicable Final Terms, the Issuer will, on giving notice to Holders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Holder an amount in respect of each Note held by such Holder calculated and paid on such date determined, in accordance with Base Condition 11(b); or
  - (v) if any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, and if Monetisation Option is specified in the applicable Final Terms, the Issuer will, on giving notice to Holders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Holder an amount in respect of each Note held by such Holder calculated and paid on such date determined, in accordance with Base Condition 11(c); or
  - (vi) if any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, and if the Calculation Agent determines that such Disruption Event constitutes a force majeure, and if Currency Linked Note Condition 3(b)(vi) is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Holders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Holder an amount in respect of each Note held by such Holder, which amount shall be equal to the fair market value of a Note, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption;
- (c) unless Disruption Event Postponement is specified as not applicable in the applicable Final Terms, notwithstanding any provisions in the Conditions to the contrary, postpone any payment date related

to such Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be provided or announced by the Price Source), as the case may be (including the Maturity Date) until the Business Day following the date on which a Disruption Event is no longer subsisting and no interest or other amount shall be paid by the Issuer in respect of such postponement.

**4. Settlement Price**

"**Settlement Price**" means, in respect of an Alternative Currency and a Settlement Price Date, and subject to Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) above, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on such Settlement Price Date, for the exchange of such Alternative Currency into the Base Currency (expressed as the number of units (or part units) of the Alternative Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Alternative Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price Date, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), Provided That if the relevant rate of exchange is derived from two or more rates of exchange, the Settlement Price shall be calculated by the Calculation Agent as provided above acting in good faith and in a commercially reasonable manner on the basis of each such rate of exchange.

**5. Futures Price Valuation**

If "Futures Price Valuation" is specified as applicable in the applicable Final Terms, the following provisions shall apply to these Currency Linked Note Conditions:

"**Settlement Price**" means in relation to each Note an amount equal to the Daily Settlement Price for the relevant Current Exchange-traded Contract, as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date (as defined in Currency Linked Note Condition 1) or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date (as defined in Currency Linked Note Condition 1). If, in the determination of the Calculation Agent, no such price can be determined, other than as a consequence of the occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract, an amount determined by the Calculation Agent acting in good faith and in a commercially reasonable manner as the Daily Settlement Price on such date, having regard to the then prevailing market conditions, the last reported Daily Settlement Price and such other factors as the Calculation Agent determines relevant.

For the purpose of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies, "Scheduled Trading Day" will be deemed to mean a day on which the Daily Settlement Price of the relevant Current Exchange-traded Contract is scheduled to be published by the relevant Futures or Options Exchange.

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If Futures Price Valuation applies, the Disrupted Day provisions in the Base Conditions and/or these Currency Linked Note Conditions will not apply in relation to any Current Exchange-traded Contract.

For these purposes:

**"Current Exchange-traded Contract"** means (a) if the Notes are not Rolling Futures Contract Notes, the Exchange-traded Contract and (b) if the Notes are Rolling Futures Contract Notes, the futures contract determined pursuant to Currency Linked Note Condition 6 (*Rolling Futures Contract Notes*) below.

**"Daily Settlement Price"** means the daily settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house, as determined by the Calculation Agent.

**"Daily Settlement Price Correction Period"** means the period specified as such in the applicable Final Terms or, if none, one Settlement Cycle.

**"Exchange-traded Contract"** means the futures or options contract(s) specified as such in the applicable Final Terms, in each case, identified by reference to (a) the Alternative Currency and Base Currency (the **"Currency Pair"**) to which it relates, (b) the ISIN or any other unique identifier of such contract, (c) the Futures or Options Exchange on which each such contract is traded and (d) (i) if the Notes are not Rolling Futures Contract Notes, the expiry month of such contract or (ii) if the Notes are Rolling Futures Contract Notes, the specified period of each such contract and the Futures Rollover Date.

**"Exchange Business Day"** means any day on which the relevant Futures or Options Exchange is open for trading during its respective regular trading session(s).

**"Futures or Options Exchange"** means the relevant exchange specified in the description of the Exchange-traded Contract in the applicable Final Terms or any successor to such exchange.

**"Futures Rollover Date"** means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent acting in good faith and in a commercially reasonable manner within the period (the **"Futures Rollover Period"**) specified in the applicable Final Terms.

**"Non-Commencement or Discontinuance of an Exchange-traded Contract"** means there is no Daily Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to the Valuation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Current Exchange-traded Contract.

**"Protected Amount"** means the amount specified as such in the applicable Final Terms.

"**Settlement Cycle**" means, in respect of an Exchange-traded Contract, the period of Exchange Business Days following a trade in such Exchange-traded Contract on the relevant Futures or Options Exchange in which settlement will customarily occur according to the rules of such Futures or Options Exchange.

Currency Linked Note Condition 2 (*Disruption Events*) and Currency Linked Note Condition 3 (*Consequences of a Disruption Event*) will not apply if Futures Price Valuation applies.

If Futures Price Valuation applies, references to "Alternative Currency" in the definition of "Underlying Reference" in the Base Conditions, Formulas Conditions (except for the definition of "Underlying Reference" for the purposes of the Fixed Income Payouts and Fixed Income Interest Rates) is deemed to be a reference to a "Current Exchange-traded Contract".

## 6. **Rolling Futures Contract Notes**

If the applicable Final Terms specify that the Notes are "Rolling Futures Contract Notes", the Notes will be valued by reference to futures contracts relating to the Currency Pair that have expiry months that do not correspond with the term of the Notes. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-trade Contract and such contract will be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of Currency Linked Note Condition 7 (*Adjustments to an Exchange-traded Contract*) or Currency Linked Note Condition 8 (*Non-Commencement or Discontinuance of an Exchange-traded Contract*) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Notes then:

- (a) unless Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note, being redeemed equal to the fair market value of such Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
- (b) if Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying

related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount.

**7. Adjustments to an Exchange-traded Contract**

In the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent will make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

**8. Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Issuer may take the action described in (a) below or require the Calculation Agent to take the action described in (b) below:

- (i) unless Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note, being redeemed equal to the fair market value of such Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
- (ii) if Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Note at an

amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount; or

(i) replace the relevant Exchange-traded Contract affected by the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Affected Exchange-traded Contract**") with a substitute Exchange-traded Contract (the "**Substitute Exchange-traded Contract**") which, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, has similar contract specifications to those of the Affected Exchange-traded Contract and (ii) make such adjustments to adjust the terms of the Notes as it determines acting in good faith and in a commercially reasonable manner to be appropriate to preserve the economic position of the Noteholders prior to such replacement. Such replacement will be deemed to be effective as of the date selected by the Calculation Agent, acting in good faith and in a commercially reasonable manner, and specified in the notice referred to below. The Substitute Exchange-traded Contract will be deemed to be an "**Exchange-traded Contract**" for the purposes of the Notes.

Notwithstanding the foregoing, in the case of Italian Listed Notes the Calculation Agent will adjust any relevant terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes.

The Calculation Agent shall, as soon as practicable, notify the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), of any determination made by it pursuant to this Currency Linked Note Condition 8 and the action proposed to be taken in relation thereto and the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), shall make available for inspection by Noteholders copies of any such determinations.

#### **9. Correction of the Daily Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Notes, if the Daily Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction is published by the relevant Futures or Options Exchange, within the number of days equal to the Daily Settlement Price Correction Period of the original publication, the Daily Settlement Price to be used shall be the Daily Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 9

ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Fund Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Fund Linked Notes set out below (the "**Fund Linked Note Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Fund Linked Note Conditions, the Fund Linked Note Conditions shall prevail.

Fund Linked Note Conditions 1 to 6 (inclusive) apply to Fund Linked Notes other than Fund Linked Notes relating to Euro Funds.

**1. Definitions**

"**AUM Level**" has the meaning given to it in the applicable Final Terms;

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Fund Business Day, the immediately succeeding Fund Business Day;

"**Basket Trigger Event**" means that an Extraordinary Fund Event occurs in respect of one or more Funds comprising the Fund Basket or the Fund Index, as the case may be, which has or, in the event that an Extraordinary Fund Event has occurred in respect of more than one Fund, together have, a Weighting in the Fund Basket or the Fund Index, as the case may be, equal to or greater than the Basket Trigger Level;

"**Basket Trigger Level**" has the meaning given to it in the applicable Final Terms;

"**Calculation Date**" means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is a Fund Business Day;

"**Delayed Payment Cut-off Date**" has the meaning given in the applicable Final Terms or, if not so specified, the date falling two calendar years after the originally designated Maturity Date;

"**Extraordinary Fund Event Effective Date**" means, in respect of an Extraordinary Fund Event, the date on which such Extraordinary Fund Event occurs, or has occurred, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

"**Final Calculation Date**" means the date specified as such in the applicable Final Terms;

"**Fund**" means each Mutual Fund;

"**Fund Basket**" means, where the Fund Linked Notes are linked to the performance of Fund Shares of more than one Fund or more than one Fund Index, a basket comprising such Fund Shares or Fund Indices, as the case may be;

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**"Fund Business Day"** means either (i) with respect to a single Fund, Fund Business Day (Single Fund Share Basis), or (ii) in respect of a Fund Basket or a Fund Index, either Fund Business Day (All Fund Shares Basis) or Fund Business Day (Per Fund Share Basis) as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Fund Business Day (Per Fund Share Basis) shall apply;

**"Fund Business Day (All Fund Shares Basis)"** means, with respect to a Fund Basket or a Fund Index, a date (i) that is a Fund Valuation Date for all Fund Shares comprised in the Fund Basket or a Fund Index, as the case may be and (ii) on which the Hedge Provider has, or could have, a subscription or redemption order for each such Fund Share executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Fund Valuation Date;

**"Fund Business Day (Per Fund Share Basis)"** means, with respect to a Fund Share, a date (i) that is a Fund Valuation Date in respect of such Fund Share and (ii) on which the Hedge Provider has, or could have, a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Fund Valuation Date;

**"Fund Business Day (Single Fund Share Basis)"** means with respect to a Fund Share, a date (i) that is a Fund Valuation Date and (ii) on which the Hedge Provider has, or could have, a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Fund Valuation Date;

**"Fund Documents"** means, with respect to any Fund Share, the offering document of the relevant Fund in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such Fund Share and, for the avoidance of doubt, any other documents or agreements in respect of the Fund, as further described in any Fund Document;

**"Fund Index"** means an index comprising one or more funds (each such Fund comprising a Fund Index a **"Fund Index Component"**) and specified as a Fund Index in the applicable Final Terms;

**"Fund Index Sponsor"** means the entity that publishes or announces (directly or through an agent) the level of the Fund Index, which as of the Issue Date is the index sponsor specified in respect of a Fund Index in the applicable Final Terms;

**"Fund Service Provider"** means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, in respect of such Fund, whether or not specified in the Fund Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms;



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**"Fund Share(s)"** means (i) an ownership interest issued to or held by an investor in a Fund or any other interest specified as such in the applicable Final Terms or (ii) in the case of a Fund Index, the shares (or other ownership interest) in a Fund Index Component comprised in each such Fund Index;

**"Fund Valuation Date"** means any date as of which, in accordance with the Fund Documents, the Fund (or the Fund Service Provider that generally determines such value) is or but for the occurrence of an Extraordinary Fund Event would have been scheduled to determine the NAV per Fund Share;

**"Hedge Fund"** means the hedge fund(s) specified as such in the applicable Final Terms;

**"Hedge Provider"** means the party (being, *inter alios*, the Issuer, the Guarantor, the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Shares, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Shares as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes;

**"Hedging Date"** has the meaning given to it in the applicable Final Terms;

**"Hypothetical Investor"** means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in a Fund Share which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding a Fund Share at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

**"Implied Embedded Option Value"** means an amount (which may never be less than zero) equal to the present value as of the Implied Embedded Option Value Determination Date of any scheduled but unpaid payments under the Notes in respect of the period from (and including) the Extraordinary Fund Event Effective Date to (and including) the Maturity Date, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner but, notwithstanding anything to the contrary contained herein, taking into account, without limitation, such factors as the net proceeds actually received from the redemption or sale of any Fund Shares by the Hedge Provider, the volatility of the Fund Shares and any transaction costs;

**"Implied Embedded Option Value Determination Date"** means the date determined by the Calculation Agent to be the earlier of (a) the date on which the Hedge Provider receives redemption proceeds in full in respect of its holding of Fund Shares (which for the avoidance of doubt, may be later than the scheduled Maturity Date) or (b) the Delayed Payment Cut-off Date;

**"Initial Calculation Date"** means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

**"Maximum Days of Disruption"** means the number of Fund Business Days specified in the applicable Final Terms, or if not so specified, 10 Fund Business Days;

**"Merger Event"** means, in respect of any relevant Shares and Entity (as defined below), any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such Entity, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of an Entity that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity or its subsidiaries with or into another entity in which the Entity is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Extraordinary Fund Event Effective Date, as determined by the Calculation Agent, is on or before the Final Calculation Date. For the purposes of this definition of "Merger Event" only, "**Shares**" shall mean the applicable Fund Shares or the shares of any applicable Fund Service Provider, as the context may require, and "**Entity**" shall mean the applicable Fund or any applicable Fund Service Provider, as the context may require.

**"Mutual Fund"** means the mutual fund(s) specified as such in the applicable Final Terms;

**"NAV per Fund Share"** means, with respect to the relevant Fund Shares and a Fund Business Day, (i) the net asset value per Fund Share as of the related Fund Valuation Date, as reported by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service, or (ii) if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares divided by the number of Fund Shares issued and outstanding as of the related Fund Valuation Date;

**"NAV Trigger Event"** means, in respect of the Fund Shares, that (i) the NAV per Fund Share has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period, or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets;

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"**NAV Trigger Percentage**" means the percentage specified in the applicable Final Terms or, if not so specified, with respect to (i) a Mutual Fund 50 per cent., or (ii) a Hedge Fund 50 per cent.;

"**NAV Trigger Period**" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date. For the avoidance of doubt the period could be equal to specified number of consecutive or non-consecutive Scheduled Trading Days, as defined in the applicable Final Terms;

"**Non-Principal Protected Termination Amount**" means an amount per Note determined by the sum of:

- (i) the Implied Embedded Option Value; and
- (ii) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"**Number of NAV Publication Days**" means the number of calendar days specified in the applicable Final Terms or if not so specified, with respect to (i) a Mutual Fund, 5 calendar days, or (ii) a Hedge Fund, 10 calendar days;

"**Observation Date**" means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Fund Business Day, the immediately succeeding Fund Business Day;

"**Principal Protected Termination Amount**" means an amount per Note determined as:

- (i) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms:
  - A. the greater of:
    - the Protected Amount; and
    - (a) the Implied Embedded Option Value; and
  - B. the Simple Interest; or
- (ii) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is not specified as being applicable in the applicable Final Terms, the Implied Embedded Option Value;

"**Protected Amount**" means the amount specified as such in the applicable Final Terms;

"**Private Equity Fund**" means the private equity fund(s) specified as such in the applicable Final Terms;

"**Scheduled Trading Day**" means, if the Notes are Hybrid Notes and Hybrid Business Day is specified as applicable in the applicable Final Terms, for the purpose of determining whether a day is a Hybrid Business Day, a Fund Business Day;

"**Settlement Price**" means, in relation to each Cash Settled Note, subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date", as the case may be:

- (a) in the case of Fund Linked Notes relating to a Basket of Fund Indices and in respect of each Fund Index comprising the Basket of Fund Indices, an amount (which shall be deemed to be a monetary value in the Fund Index Currency) equal to the official level for each such Fund Index published by the Fund Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each such Fund Index determined by the Calculation Agent at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Strike Date, Observation Date or the Valuation Date, as the case maybe, or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Fund Linked Notes relating to a single Fund Index, an amount equal to the official level of the Fund Index published by the Fund Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Fund Index determined by the Calculation Agent at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Strike Date, Observation Date or the Valuation Date, as the case maybe, or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"**Settlement Price Date**" means the Strike Date, an Averaging Date, an Observation Date or the Valuation Date, as the case may be;

"**Simple Interest**" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Implied Embedded Option Value during the period from (and including) the Implied Embedded Option Value Determination Date to (and excluding) the later of (i) the Maturity Date or (ii) the date falling five Business Days after the Implied Embedded Option Value Determination Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions (the "**ISDA Definitions**") published by the International Swaps and Derivatives Association, Inc. (as amended or supplemented as at the Issue Date of the Notes, provided that, the Calculation Agent may, acting in good faith and in a commercially reasonable manner, select any successor or replacement definitional booklet to the 2006 ISDA Definitions (as supplemented from time to time for interest rate derivatives), in which case ISDA Definitions will mean any such successor or replacement definitional booklet to the 2006 ISDA Definitions) under which:

- A. the "**Effective Date**" is the Implied Embedded Option Value Determination Date;
- B. the "**Termination Date**" is the Termination Date;
- C. the "**Floating Rate Payer Payment Date**" is the Termination Date;

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- D. the "**Floating Rate Option**" is EUR-EONIA-Swap Index (if the Settlement Currency is EUR) or USD-Federal Funds-H.15 (if the Settlement Currency is USD);
- E. the "**Simple Interest Spread**" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- F. the "**Floating Rate Day Count Fraction**" is Actual/360;
- G. the "**Reset Date**" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and
- H. "**Compounding**" is "Inapplicable";

"**Strike Date**" means the Strike Date specified as such in the applicable Final Terms or, if such day is not a Fund Business Day, the immediately succeeding Fund Business Day;

"**Strike Day**" means each date specified as such in the applicable Final Terms or, if such day is not a Fund Business Day, the immediately succeeding Fund Business Day;

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

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the Fund or Fund Service Provider, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Termination Amount**" means:

- (i) unless Highest Value, Market Value or Monetisation Option are specified in the applicable Final Terms as applicable:
  - A. the amount specified in the applicable Final Terms;
  - B. the Principal Protected Termination Amount; or
  - C. the Non-Principal Protected Termination Amount,in each case, as specified in the applicable Final Terms, such amount to be payable on the Termination Date; or
- (ii) if Highest Value is specified as applicable in the applicable Final Terms, an amount in respect of each Note calculated and paid on such date determined, in accordance with Base Condition 11(a); or

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- (iii) if Market Value is specified as applicable in the applicable Final Terms, pay to each Noteholder an amount in respect of each Note calculated and paid on such date determined, in accordance with Base Condition 11(b); or
- (iv) if Monetisation Option is specified as applicable in the applicable Final Terms, pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c);
- (v) if the Calculation Agent determines that the relevant Extraordinary Fund Event or combination of Extraordinary Fund Events constitutes a *force majeure*, and if Fund Event Force Majeure is specified as applicable in the applicable Final Terms, pay to each Noteholder an amount in respect of each Note equal to the fair market value of a Note, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption;

"**Termination Date**" means (i) the date determined by the Issuer as provided herein and specified in the notice given to Noteholders in accordance with Fund Linked Note Condition 4.2(c), or (ii) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Maturity Date;

"**Trade Date**" has the meaning given to it in the applicable Final Terms; and

"**Valuation Date**" means the Interest Valuation Date(s) and/or Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Fund Business Day, the immediately succeeding Fund Business Day.

### 2. Extraordinary Fund Events

Subject to the provisions of Fund Linked Note Condition 3 (*Determination of Extraordinary Fund Events*)

"**Extraordinary Fund Event**" means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

#### **Global Events:**

- 2.1 the Fund or any Fund Service Provider (i) ceases trading and/or, in the case of a Fund Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable) (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or

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organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

2.2 the occurrence of a Merger Event or Tender Offer;

### **Litigation/Fraudulent Activity Events:**

2.3 there exists any litigation against the Fund or a Fund Service Provider which the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, could materially affect the value of the Fund Shares or the rights or remedies of any investor in such Fund Shares; or

2.4 (i) an allegation of criminal or fraudulent activity is made in respect of the Fund, or any Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the Fund, any Fund Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the determination of the Calculation Agent acting in good faith and a commercially reasonable manner, materially affect the value of the Fund Shares or the rights or remedies of any investor in such Fund Shares;

### **Fund Service Provider/Key Person Events:**

2.5 (i) a Fund Service Provider ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under

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the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the Fund Shares or on the rights or remedies of any investor in such Fund Shares; or

- 2.6 one or more of the key individuals involved with, or having supervision over, the Fund or a Fund Service Provider ceases to act in such capacity, and the relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;

### **Modification Events:**

- 2.7 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the Fund (howsoever described, including the underlying type of assets in which the Fund invests), from those set out in the Fund Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- 2.8 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the Fund invests, or (ii) the Fund purports to track;
- 2.9 a material modification, or any announcement regarding a potential future material modification, of the Fund (including but not limited to a material modification of the Fund Documents or to the Fund's liquidity terms) other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relates (either alone or in common with other Fund Shares issued by the Fund);
- 2.10 the creation by the Fund of any illiquid share class or unit howsoever described;
- 2.11 the currency denomination of the Fund Shares is amended from that set out in the Fund Documents so that the NAV per Fund Share is no longer calculated in the same currency as it was as at the Trade Date;
- 2.12 if applicable, the Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction; or
- 2.13 following the issue or creation of a new class or series (howsoever described in the Fund Documents) of shares or units by the Fund, the Calculation Agent determines taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Fund Documents) that such new class or series has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Notes;

### **NAV per Fund Share/AUM Level Events:**

- 2.14 a material modification of the method of calculating the NAV per Fund Share;
- 2.15 any change in the periodicity of the calculation or the publication of the NAV per Fund Share;



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- 2.16 any suspension of the calculation or publication of the NAV per Fund Share;
- 2.17 the occurrence of any event affecting a Fund Share that the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, would make it impossible or impracticable for the Calculation Agent to determine the NAV per Fund Share;
- 2.18 any of the Fund, any Fund Service Provider or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Shares unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- 2.19 any Fund Service Provider uses asset prices provided by the investment manager (howsoever described in the Fund Documents) to calculate the NAV per Fund Share when such asset prices could have been obtained from independent sources and the asset prices from independent sources materially diverge from the asset prices provided by the investment manager (howsoever described in the Fund Documents);
- 2.20 the assets under management of the Fund falls below the AUM Level;
- 2.21 (i) the Calculation Agent determines, at any time, that the NAV per Fund Share is inaccurate, or (ii) the reported net asset value of the Fund Shares misrepresents the net asset value of the Fund Shares;
- 2.22 a NAV Trigger Event occurs; or
- 2.23 (i) in the case of a Hedge Fund only, the audited net asset value of the Fund and/or the NAV per Fund Share is different from the audited net asset value of the Fund and/or the NAV per Fund Share communicated by the relevant Fund Service Provider in respect of the same date, (ii) the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, and/or (iii) the Calculation Agent, acting in good faith and in a commercially reasonable manner, does not deem the audited net asset value of the Fund and/or the NAV per Fund Share to be representative of the actual net asset value of the Fund and/or the NAV per Fund Share;

### **Reporting Events:**

- 2.24 any failure of the Fund, or its authorised representative, to deliver or publish, or cause to be delivered or published, (i) information that the Fund has agreed to deliver or publish, or agreed to cause to be delivered or published, to the Calculation Agent or Hedge Provider, or (ii) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Share; or

- 2.25 any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio or other activities or undertakings of the Fund;

**Tax/Law/Accounting/Regulatory Events:**

- 2.26 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Notes (a "Tax Event") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or
- 2.27 any relevant activities of or in relation to the Fund or a Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Fund or a Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Fund is required by a competent authority to redeem any Fund Shares, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Notes and/or (v) any change in the legal, tax, accounting or regulatory treatment of the Fund or any Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Fund Shares or other activities or undertakings of the Fund or on the rights or remedies of any investor in such Fund Shares, including any Hedge Provider;

**Hedging/Impracticality/Increased Costs Events:**

- 2.28 in connection with any hedging activities in relation to the Notes, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount or cost of regulatory

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capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a holder of the Fund Shares or the Hedge Provider to any loss), purchase or sell the relevant Fund Shares or any underlying assets of or related to the Fund or for the Hedge Provider to maintain such hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

- 2.29 in connection with the hedging activities in relation to the Notes, if the cost to the Hedge Provider in relation to the Notes and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees (or the combined effect thereof if occurring more than once) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Notes and the related hedging arrangements;
- 2.30 in connection with the hedging activities in relation to the Notes, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary to hedge the Issuer's obligations under the Notes or (ii) to realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the Fund on any investor's ability to redeem a Fund Share, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Share, or (B) any mandatory redemption, in whole or in part, of such Fund Share;
- 2.31 at any time on or after the Trade Date of the first tranche of the Series, the Hedge Provider directly or indirectly acquires or retains any ownership interest in or sponsors a covered fund that is not subject to an exemption under 12 U.S.C. §1851 (the "**U.S. Volcker Rule**");
- 2.32 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Notes; or
- 2.33 at any time on or after the Trade Date of the first issue of the Series, (i) the Hedge Provider unintentionally acquires directly or indirectly any ownership interest in a Fund that exceeds 10 per cent. of the total assets under management or (ii) as a consequence of changes in the performance, size, investment strategy or liquidity of a Fund, the Hedge Provider holds an ownership interest in such Fund that exceeds 10 per cent. of the total assets under management;

### **Dealing Events:**

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- 2.34 the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit) (ii) the Fund suspends or refuses transfers of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares), (iii) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, if in any case it could in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, or (iv) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason;

### **Miscellaneous Events:**

- 2.35 in the case of Notes linked to a Fund Basket or a Fund Index, a Basket Trigger Event occurs;
- 2.36 the Fund or any Fund Service Provider defaults under, materially modifies, or terminates any rebate agreements in place with the Issuer, the Hedge Provider or any of its Affiliates;
- 2.37 if the Fund is part of an umbrella structure with more than one sub-fund, a cross-contamination or other failure to segregate the portfolio of assets held by the Fund occurs between different series, classes and/or sub-funds;
- 2.38 any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider; or
- 2.39 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider or any parent company (howsoever described) of the Fund, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's).

References solely in this Fund Linked Note Condition 2 (*Extraordinary Fund Events*) to:

"Fund" shall include the Fund and any funds in which it invests any of its investible assets from time to time; and

"Fund Shares" shall include the Fund Shares and the shares or units in any Fund (as defined in paragraph (i) above)

All of the events listed in this Fund Linked Note Condition 2 (*Extraordinary Fund Events*) will constitute an Extraordinary Fund Event, unless SC/FM Fund Events is specified as applicable in the applicable Final Terms, in which case the events described in Fund Linked Note Conditions 2.13, 2.17, 2.26, 2.27 (iv), 2.27 (v), 2.28, 2.29, 2.30, 2.31, 2.32 and 2.34(iii) will not constitute an Extraordinary Fund Event.

### 3. Determination of Extraordinary Fund Events

The Calculation Agent will determine if an Extraordinary Fund Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary Fund Event, the Issuer may determine which Extraordinary Fund Event is to be triggered.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary Fund Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

### 4. Consequences of an Extraordinary Fund Event

- 4.1 If the Calculation Agent determines that an Extraordinary Fund Event has occurred, the Calculation Agent shall give notice (an "**Extraordinary Fund Event Notice**") to the Noteholders in accordance with Base Condition 16 (*Notices*) (which notice shall be irrevocable), of the occurrence of such Extraordinary Fund Event (the date on which an Extraordinary Fund Event Notice is given, an "**Extraordinary Fund Event Notification Date**") as soon as reasonably practicable following the determination of an Extraordinary Fund Event. The Extraordinary Fund Event Notice shall set out, if determined at that time, the action that the Issuer has determined to take in respect of the Extraordinary Fund Event pursuant to Fund Linked Note Condition 4.2 (in the case of a Fund that is not a Fund Index Component) or Fund Linked Note Condition 4.3 (in the case of a Fund that is a Fund Index Component) below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary Fund Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Noteholders in accordance with Base Condition 16 (*Notices*) as soon as reasonably practicable after the Extraordinary Fund Event Notification Date.

Neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Noteholder or any other person in connection with the Notes as a result of any delay in notifying Noteholders of the occurrence of an Extraordinary Fund Event, howsoever arising. If the Calculation Agent gives an Extraordinary Fund Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Notes until the Issuer has determined

the action that it has determined to take pursuant to Fund Linked Note Condition 4.2 or Fund Linked Note Condition 4.3, as the case may be.

4.2 In the case of a Fund that is not a Fund Index Component, following the occurrence of an Extraordinary Fund Event, the Issuer may take the action described below in 4.2(a), (b) or (c) provided that, if the Calculation Agent determines that an Extraordinary Fund Event has occurred or is continuing on the Delayed Payment Cut-off Date in accordance with the provisions of Fund Linked Note Condition 5 (*Redemption Date/Automatic Early Redemption Date/ Termination Date Extension*) below, the Issuer shall determine that the action to be taken in respect of the Extraordinary Fund Event is "**Termination**".

(a) Adjustment

If the Issuer determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**Adjustment**", then the Calculation Agent may determine, acting in good faith and in a commercially reasonable manner, the appropriate adjustment(s), if any, to be made to any one or more Fund, Fund Share and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to take account of the Extraordinary Fund Event and determine the effective date of such adjustment.

(b) Substitution

If the Issuer determines that the action in respect of the Extraordinary Fund Event is to be "**Substitution**", the Calculation Agent shall:

- (i) determine the weighted average price at which a Hypothetical Investor can redeem the Fund Shares in the relevant Fund (the "**Affected Fund**") in such number as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner as soon as it is reasonably practicable following the Extraordinary Fund Event;
- (ii) for a period of not longer than 14 calendar days following the date on which a Hypothetical Investor would have received proceeds from a redemption order in full submitted by the Hedge Provider as soon as practicable following the occurrence of an Extraordinary Fund Event, use reasonable efforts to substitute the Fund Shares with shares, units or other similar interests in an alternative fund which, in the determination of the Calculation Agent, acting in good faith and in a commercially reasonable manner, has similar characteristics to the Affected Fund, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative fund can be determined pursuant to the preceding sub-paragraph (ii) above, use reasonable efforts to substitute the Fund with an index (or a fund tracking such index) selected by the Calculation Agent acting in good faith and in a commercially reasonable manner; and
- (iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above, the Issuer may require the Calculation Agent make such determinations and/or adjustments to these Terms and

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Conditions and/or the Final Terms as it determines to be appropriate to take account of such Substitution.

(c) Termination

If the Issuer determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**Termination**", on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*) (which such notice may be included in the Extraordinary Fund Event Notice in respect of the relevant Extraordinary Fund Event and will specify the Termination Date), all but not some only of the outstanding Notes shall be redeemed by payment of the Termination Amount on the Termination Date, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*).

4.3 In the case of a Fund that is a Fund Index Component, following the occurrence of an Extraordinary Fund Event, the Issuer may take the action described below in 4.3(a), (b) or (c):

- (a) if the Extraordinary Fund Event occurs or is subsisting on a Settlement Price Date, require the Calculation Agent to determine the relevant index level and the Settlement Price for such date using the NAV per Fund Share for each Fund Index Component comprising the relevant Fund Index in accordance with (A) and (B) below in accordance with the formula for and method of calculating the index level on the date on which the Extraordinary Fund Event occurs;
- (A) with respect to each Fund Index Component which is not affected by an Extraordinary Fund Event, the index level will be calculated using the NAV per Fund Share of such Fund Index Component on the relevant Settlement Price Date; and
- (B) with respect to each Fund Index Component which is affected by an Extraordinary Fund Event (each an "**Affected Fund Index Component**"), the index level will be calculated using the NAV per Fund Share of such Fund Index Component on the first Fund Business Day following the relevant Settlement Price Date on which no Extraordinary Fund Event occurs or is subsisting with respect to the Affected Fund Index Component, unless an Extraordinary Fund Event in respect of the Affected Fund Index Component is occurring for the number of consecutive Fund Business Days equal to the Maximum Days of Disruption immediately following the relevant Settlement Price Date. In that case the last such consecutive Fund Business Day shall be deemed to be the Settlement Price Date for the Affected Fund Index Component, notwithstanding the Extraordinary Fund Event and the Calculation Agent will determine the price of the Affected Fund Index Component based upon the price at which a Hypothetical Investor can sell or otherwise realise any hedge positions in respect of an Affected Fund Index Component during the period of five Fund Business Days following such Settlement Price Date;
- (b) require the Calculation Agent to use reasonable efforts to substitute the Fund Index that includes the Affected Fund Index Component (the "**Affected Fund Index**") with an alternative fund index

which, in the determination of the Calculation Agent (acting in good faith and in a commercially reasonable manner) measures the same (or a substantially similar) market or economic reality as the Affected Fund Index, including, but not limited to, the method of calculation; or

- (c) on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*) (which such notice may be included in the Extraordinary Fund Event Notice in respect of the relevant Extraordinary Fund Event), redeem all but not some only of the outstanding Notes by payment of the Termination Amount on the date determined as set out in the definition of Termination Amount, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*).

#### 4.4 General

In determining to take a particular action as a result of an Extraordinary Fund Event, the Issuer is under no duty to consider the interests of Noteholders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary Fund Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of loss of interest), underperformance or opportunity cost suffered or incurred by Noteholders or any other person in connection with the Notes as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Notes.

#### 5. **Interest Payment Date/Maturity Date/Automatic Early Redemption Date/Termination Date Extension**

In the case of Cash Settled Notes, if on the date falling two Business Days prior to the originally designated Maturity Date or Automatic Early Redemption Date the Hedge Provider has not, after having placed one or more redemption orders in respect of its holding of Fund Shares in accordance with the terms of the relevant Fund Documents, received redemption proceeds in full in respect of such Fund Shares (the "**Redemption Proceeds**"), the Calculation Agent may postpone the Maturity Date or Automatic Early Redemption Date and notify the Noteholders thereof in accordance with Base Condition 16 (*Notices*).

As soon as practicable following receipt by the Hedge Provider of the Redemption Proceeds the Calculation Agent shall give notice to Noteholders in accordance with Base Condition 16 (*Notices*) (such notice the "**Delayed Payment Notice**") and redeem the Notes on the date falling not more than five Business Days following the receipt of the Delayed Payment Notice (such date, the "**Postponed Redemption Date**") by payment to each Noteholder of the Final Redemption Amount, the Automatic Early Redemption Amount, as the case may be, provided that, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on (and including) the Delayed Payment Cut-off Date, the Calculation Agent shall determine that an Extraordinary Fund Event has occurred and is continuing on the Delayed Payment Cut-off Date and shall notify Noteholders thereof in accordance with the



procedures set out in Fund Linked Note Condition 4 above, and in accordance with Base Condition 16 (*Notices*) and the provisions of Fund Linked Note Condition 4.2(c) shall apply.

In the case of interest bearing Notes, if on the date falling two Business Days prior to an Interest Payment Date, as applicable, the Hedge Provider has not, after having placed one or more redemption orders in respect of its holding of Fund Shares in accordance with the terms of the relevant Fund Documents, received redemption proceeds in full in respect of such Fund Shares (the "**Redemption Proceeds**"), the Calculation Agent may notify the Noteholders in accordance with Base Condition 16 (*Notices*) that such Interest Payment Date has been postponed. As soon as practicable following receipt by the Hedge Provider of the Redemption Proceeds the Calculation Agent shall give notice to Noteholders in accordance with Base Condition 16 (*Notices*) (such notice the "**Delayed Payment Notice**") and the Issuer shall pay the Interest Amount in respect of the Interest Period ending on or immediately preceding the Interest Payment Date on the date falling not more than five Business Days following the receipt of the Delayed Payment Notice (such date, the "**Postponed Payment Date**") and no additional amount shall be payable in respect of such delay, provided that, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on (and including) the Delayed Payment Cut-off Date, the Calculation Agent shall determine that an Extraordinary Fund Event has occurred and is continuing on the Delayed Payment Cut-off Date and shall notify Noteholders thereof in accordance with the procedures set out in Fund Linked Note Condition 4 above (*Consequences of an Extraordinary Fund Event*), and in accordance with Base Condition 16 (*Notices*) and the provisions of Fund Linked Note Condition 4.2(c) shall apply.

**6. Fund Index Adjustment Event**

If (a) on or prior to any Settlement Price Date, the relevant Fund Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Fund Index or in any other way materially modifies that Fund Index (other than a modification prescribed in that formula or method to maintain the Fund Index in the event of changes in the Fund Index Components and other routine events) (a "**Fund Index Modification**"), or permanently cancels a relevant Fund Index and no successor Fund Index exists (a "**Fund Index Cancellation**"), or (b) on any Settlement Price Date, the Fund Index Sponsor or (if applicable) the successor Fund Index Sponsor fails to calculate and announce a relevant Fund Index (a "**Fund Index Disruption**" and, together with a Fund Index Modification and a Fund Index Cancellation, each a "**Fund Index Adjustment Event**"), then:

- (a) the Calculation Agent shall determine if such Fund Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant value, level or price using, in lieu of a published level for that Fund Index, the level for that Fund Index as at the Valuation Time on such Settlement Price Date, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Fund Index last in effect prior to the change, failure or cancellation, but using only those Fund Index Components that comprised that Fund Index immediately prior to that Fund Index Adjustment Event; or
- (b) the Calculation Agent may use commercially reasonable efforts to select a successor fund index which in its opinion, acting in good faith and in a commercially reasonable manner measures the same (or a substantially similar) market or economic reality as the original Fund Index and, upon selection of such

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- fund index, the Calculation Agent shall promptly notify the Noteholders in accordance with Base Condition 16 (*Notices*) and such fund index will be deemed to be the "Fund Index" for the purpose of the Notes and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Notes as it (acting in good faith and in a commercially reasonable manner) determines appropriate; or
- (c) the Calculation Agent may determine acting in good faith and in a commercially reasonable manner such other appropriate adjustments, if any, to be made to the terms of the Notes to account for the Fund Index Adjustment Event and determine the effective date of those adjustments; or
- (A) unless Highest Value, Market Value, Monetisation Option or Delayed Redemption on Fund Index Adjustment Event are specified as being applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note being redeemed equal to the fair market value of such Note taking into account the Fund Index Adjustment Event, less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment will be made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
- (B) if Delayed Redemption on Fund Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Fund Index Adjustment Event less, except in the case of Italian Listed Notes or if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Fund Index Adjustment Amount**") as soon as practicable following the occurrence of the Fund Index Adjustment Event (the "**Calculated Fund Index Adjustment Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Fund Index Adjustment Amount plus interest accrued from and including the Calculated Fund Index Adjustment Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount; or
- (C) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*) redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a); or
- (D) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some

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only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or

- (E) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*) redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c); or
- (F) if the Calculation Agent determines that such Fund Index Adjustment Event constitutes a force majeure, and if Fund Linked Note Condition 6(iv)(F) is specified in the applicable Final Terms, the Issuer will on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*) redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder, which amount shall be equal to the fair market value of a Note, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption; or
- (G) in the case of a Fund Index Modification which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of the Fund Index, using in lieu of the published level for the Fund Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Fund Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Fund Index last in effect prior to the Fund Index Modification but using only those Fund Index Components that comprised the Fund Index prior to the Fund Index Modification.

Fund Linked Note Conditions 7 to 10 (inclusive) apply to Fund Linked Notes relating to Euro Funds.

### 7. Definitions relating to Euro Funds

**"Euro Fund"** means the insurance or investment policy or capitalisation contract backed by euro-denominated assets offered by the Insurance Company on the terms set out in the Euro Fund Documents specified in the applicable Final Terms.

**"Euro Fund Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Euro Fund Business Day Centre(s).

**"Euro Fund Business Day Centre"** means each place specified as such in the applicable Final Terms.

**"Euro Fund Documents"** means, with respect to any Euro Fund, the offering document of the relevant Euro Fund offered by the Insurance Company in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such Euro Fund and, for the avoidance of doubt, any other documents or agreements in respect of the Euro Fund, as further described in any Euro Fund Document.

**"Euro Fund Valuation Date"** means any date as of which, in accordance with the Euro Fund Documents, the Insurance Company is or, but for the occurrence of an Extraordinary Euro Fund Event would have been, scheduled to publish the Gross Rate of Return.

**"Extraordinary Euro Fund Event Effective Date"** means, in respect of an Extraordinary Euro Fund Event, the date on which such Extraordinary Euro Fund Event occurs, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

**"Floor Rate of Return"** means the rate specified as such in the applicable Final Terms.

**"Gross Rate of Return"** means, in respect of the relevant Euro Fund and a Euro Fund Valuation Date, the gross rate of return (which is exclusive of any applicable taxes, duties, expenses, management fees and/or social security contributions), which a policyholder of such Euro Fund is entitled to receive in respect of their investment in the Euro Fund for such Euro Fund Valuation Date, as determined and published by the Insurance Company in accordance with the Euro Fund Documents on the website of the Insurance Company specified in the applicable Final Terms, or such other website as may be notified to the Noteholders in accordance with Base Condition 16 (*Notices*).

**"Hedge Provider"** means the party (being, inter alios, the Issuer, the Guarantor, the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold an insurance or investment policy or capitalisation contract in respect of the Euro Fund, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such insurance or investment policy or capitalisation contract in respect of the Euro Fund as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes.

**"Hedging Date"** has the meaning given to it in the Final Terms.

**"Hypothetical Investor"** means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in a Euro Fund which is deemed to have the benefits and obligations, as provided in the relevant Euro Fund Documents, of an investor in the Euro Fund at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor, the Calculation Agent or any of their Affiliates (as determined by the Calculation Agent in the context of the relevant situation).

"**Insurance Company**" means the insurance company specified as such in the applicable Final Terms.

"**Protected Amount**" means the amount specified as such in the applicable Final Terms.

"**Provisional Minimum Rate**" means, in respect of the relevant Euro Fund and a Euro Fund Valuation Date, the provisional minimum rate of return in respect of the Euro Fund for such Euro Fund Valuation Date as published by the Insurance Company from time to time on the website of the Insurance Company specified in the applicable Final Terms, or such other website as may be notified to the Noteholders in accordance with Base Condition 16 (*Notices*). In the event that no such Provisional Minimum Rate is published in respect of the Euro Fund, the Provisional Minimum Rate shall be zero.

#### **8. Failure to publish the Gross Rate of Return**

If, in respect of a Euro Fund Valuation Date, the Gross Rate of Return is not published by or on behalf of the Insurance Company, then the Gross Rate of Return shall be deemed to be (i) the last available Provisional Minimum Rate in respect of such Euro Fund Valuation Date or (ii) if specified as applicable in the applicable Final Terms, the Floor Rate of Return, provided that, if the Gross Rate of Return in respect of such Euro Fund Valuation Date is not published or if no Provisional Minimum Rate has been published and there is no Floor Rate of Return specified in the applicable Final Terms, in each case, as a consequence of an Extraordinary Euro Fund Event, the provisions of Fund Linked Note Condition 10 will apply.

#### **9. Extraordinary Euro Fund Events**

The occurrence of any of the events described below shall be deemed to be a "Extraordinary Euro Fund Event", the consequences of which are set out in Fund Linked Note Condition 10 (*Consequences of an Extraordinary Euro Fund Event*):

- (i) in the determination of the Calculation Agent, the Insurance Company announces that it has calculated or applied, or will calculate or apply, the Gross Rate of Return in respect of the Euro Fund in a manner that is different to that which is described in the Euro Fund Documents;
- (ii) a redemption by the Insurance Company of a policyholder's investment in the Euro Fund or cancellation of any such Euro Fund, where the consideration for such redemption or cancellation is cash or otherwise, other than in respect of a redemption or cancellation of such investment initiated by a policyholder in such Euro Fund that is consistent with the Euro Fund Documents;
- (iii) a material modification, or any announcement regarding a potential future material modification, of the Euro Fund (including, but not limited to, a material modification of the Euro Fund Documents);
- (iv) a consolidation, amalgamation, partial asset contribution or merger of the Insurance Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation or merger in which the Insurance Company is the continuing entity and which does not result in any

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change to the Euro Fund), (ii) a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the assets of the Insurance Company, or (iii) the sale, transfer, segregation or desegregation (statutory or otherwise) of, or proposed sale, transfer, segregation or desegregation (statutory or otherwise) of, the assets and/or contracts of the Insurance Company, in each case which, in the opinion of the Calculation Agent, has, or may in the future have, an impact before the last occurring Euro Fund Valuation Date in respect of the Notes, on the Gross Rate of Return, the Provisional Minimum Rate or the general assets of the Insurance Company based on which the Gross Rate of Return is determined;

- (v) the Insurance Company (i) ceases trading; (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iv) makes a general assignment or arrangement with or for the benefit of its creditors; (v)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (v)(1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (vi) 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; (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vii) above;
- (vi) there exists any litigation against the Insurance Company which the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, could materially affect the Gross Rate of Return, the Provisional Minimum Rate or the rights or remedies of any policyholder in respect of the Euro Fund;

- (vii) any relevant activities of the Insurance Company in relation to the Euro Fund are or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Insurance Company by any governmental, legal or regulatory entity with authority over the Insurance Company), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Euro Fund or the Insurance Company or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Insurance Company is required by a competent authority to redeem or cancel any policy in respect of the Euro Fund, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily terminate hedging arrangements relating to the Notes, (v) any change in the legal, tax, accounting or regulatory treatment of the Euro Fund or the Insurance Company that is reasonably likely to have an adverse impact on the Gross Rate of Return, the Provisional Minimum Rate, the general assets of the Insurance Company based on which the Gross Rate of Return is determined or other activities or undertakings of the Insurance Company or on the rights or remedies of any policyholder or Hedge Provider against the Insurance Company and/or (vi) the Insurance Company is the subject of an investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority, involving an alleged violation of applicable law, for any activities relating to or resulting from the operation of such Euro Fund; or
- (viii) any failure by the Insurance Company to publish or deliver or cause to be published or delivered (i) any information that such Insurance Company has agreed to publish or deliver or cause to be published or delivered to the Calculation Agent or the Hedge Provider in respect of the Euro Fund, or (ii) any information that has previously been delivered to the Calculation Agent or the Hedge Provider in accordance with the Insurance Company's or its authorised representative's customary practices, and which the Calculation Agent considers necessary to determine and verify the Gross Rate of Return.

#### **10. Consequences of an Extraordinary Euro Fund Event**

If an Extraordinary Euro Fund Event occurs in relation to a Euro Fund, the Issuer may take any of the relevant action(s) described in (a), (b) or (c) below as it deems appropriate:

- (i) require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any of the terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Euro Fund Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes to the Gross Rate of Return, the Provisional Minimum Rate or to the Notes;

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- (ii) unless Delayed Redemption on Extraordinary Euro Fund Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Notes being redeemed equal to the fair market value of such Note taking into account the Extraordinary Euro Fund Event, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
- (iii) if Delayed Redemption on Extraordinary Euro Fund Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Extraordinary Euro Fund Event less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Euro Fund Event Amount**") as soon as practicable following the occurrence of the Extraordinary Euro Fund Event (the "**Calculated Extraordinary Euro Fund Event Amount Determination Date**") and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Euro Fund Event Amount plus interest accrued from and including the Calculated Extraordinary Euro Fund Event Amount Determination Date to but excluding the Maturity Date at a rate equal to the Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount; or
- (iv) on or after the relevant Extraordinary Euro Fund Effective Date, the Calculation Agent may substitute the Euro Fund affected by an Extraordinary Euro Fund Event (the "Affected Euro Fund") with an alternative insurance or investment policy or capitalisation contract backed by euro-denominated assets in accordance with the criteria set out below (the "**Substitute Euro Fund**") and the Substitute Euro Fund will be deemed to be the Euro Fund and the relevant insurance company offering the insurance or investment policy or capitalisation contract, the Insurance Company, for the purposes of the Notes. The Calculation Agent will make such adjustment, if any, to any of the terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate.

Such substitution and the relevant adjustment (if any) will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") acting in good faith and in a commercially reasonable manner and specified in the notice referred to below which may, but need not be, the relevant Extraordinary Euro Fund Event Effective Date.



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In order to be selected as a Substitute Euro Fund, the relevant insurance or investment policy or capitalisation contract must be an insurance or investment policy or capitalisation contract backed by euro-denominated assets which, in the determination of the Calculation Agent, has similar characteristics to the Affected Euro Fund, including but not limited to, a comparable gross rate of return, a comparable provisional minimum rate of return, offered by an insurance company with a comparable portfolio of general assets and offered on similar contractual terms acceptable to the Calculation Agent. For the avoidance of doubt, the Substitute Euro Fund may, but need not, be offered by the same Insurance Company as the Affected Euro Fund.

If the Calculation Agent determines that more than one Extraordinary Euro Fund Event has occurred in respect of a Euro Fund, which are not connected and have different consequences pursuant to this Fund Linked Note Condition 10, the Calculation Agent will determine which such Extraordinary Euro Fund Event and related consequences shall apply acting in good faith and in a commercially reasonable manner.

Upon the occurrence of an Extraordinary Euro Fund Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) stating the occurrence of the Extraordinary Euro Fund Event, giving details thereof and the action proposed to be taken in relation thereto.

## ANNEX 10

## ADDITIONAL TERMS AND CONDITIONS FOR FUTURES LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Futures Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Futures Linked Notes set out below (the "**Futures Linked Note Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Futures Linked Note Conditions, the Futures Linked Note Conditions shall prevail.

### 1. Definitions

"**Basket of Futures**" means a basket composed of each Future specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant Future(s);

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session(s) or on which a Market Disruption Event has occurred;

"**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s), at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange for execution at the Valuation Time on such Exchange Business Day;

"**Exchange**" means, in relation to a Future, each exchange or quotation system specified as such in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Future has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Future on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (a) in the case of a single Future, Exchange Business Day (Single Future Basis) or (b) in the case of a Basket of Futures, Exchange Business Day (All Futures Basis) or Exchange Business Day (Per Future Basis), in each case as specified in the applicable Final Terms,

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provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Future Basis) shall apply;

**"Exchange Business Day (All Futures Basis)"** means, in respect of all Futures comprised in a Basket of Futures, any Scheduled Trading Day on which each Exchange is, in respect of such Futures, open for trading during its regular trading session(s) notwithstanding such Exchange closing prior to its Scheduled Closing Time;

**"Exchange Business Day (Per Future Basis)"** means, in respect of a Future, any Scheduled Trading Day on which the relevant Exchange in respect of such Future is open for trading during its regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

**"Exchange Business Day (Single Future Basis)"** means any Scheduled Trading Day on which the relevant Exchange is open for trading during its respective regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

**"Exchange Disruption"** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner) the ability of market participants in general to effect transactions in, or obtain market values for, the Futures on the Exchange;

**"Future"** or **"Futures"** means, subject to adjustments in accordance with this Annex 10, in the case of an issue of Notes relating to a single Future, the futures contract and, in the case of an issue of Notes relating to a Basket of Futures, each futures contract, specified in the applicable Final Terms, and related expressions shall be construed accordingly;

**"Futures Correction Period"** means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

**"Protected Amount"** means the amount specified as such in the applicable Final Terms;

**"Scheduled Trading Day"** means either (a) in the case of a single Future, Scheduled Trading Day (Single Future Basis) or (b) in the case of a Basket of Futures, Scheduled Trading Day (All Futures Basis) or Scheduled Trading Day (Per Future Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Future Basis) shall apply;

**"Scheduled Trading Day (All Futures Basis)"** means, in respect of all Futures comprising the Basket of Futures, any day on which each Exchange is, in respect of such Futures, scheduled to be open for trading during its regular trading session(s);

**"Scheduled Trading Day (Per Future Basis)"** means, in respect of a Future, any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

**"Scheduled Trading Day (Single Future Basis)"** means any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

**"Settlement Cycle"** means, in respect of a Future, the period of Clearance System Days following a trade in the Future on the Exchange on which settlement will customarily occur according to the rules of such Exchange;

**"Settlement Price"** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Note subject to the provisions of this Annex and as referred to in "Averaging Date", "Observation Date", "Strike Date" or "Valuation Date" as the case may be:

- (a) in the case of Futures Linked Notes relating to a Basket of Futures and in respect of each Futures comprising the basket, an amount equal to the official closing price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Future on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Futures Linked Notes relating to a single Future, an amount equal to the official price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Future on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

**"Trading Disruption"** means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Futures on the Exchange.

## 2. Market Disruption

**"Market Disruption Event"** means, in relation to Notes relating to a single Future or a Basket of Futures, in respect of a Future the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines acting in good faith and in a commercially reasonable manner is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base Condition 16 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, or an Observation Date, a Valuation Date or the Strike Date.

## 3. Adjustments to a Future

#### 4. **Futures Modification, Futures Replacement or Futures De-Listing**

If, on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, (a) the relevant Exchange makes or announces that it will make a material change in the conditions of the Future(s) (a "**Futures Modification**"), (b) the relevant Exchange replaces the Future by a new Future contract to be substituted to the Future (a "**Futures Replacement**") or (c) the relevant Exchange announces that the relevant Future cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union) (a "**Futures De-Listing**" and, together with a Futures Modification and a Futures Replacement, each a "**Futures Adjustment Event**"), then:

- (i) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine acting in good faith and in a commercially reasonable manner if such Futures Modification or Futures Replacement has a material effect on the Notes and, if so, shall use the Future(s) so modified or replaced in lieu of the initial Future with respect to the relevant Notes; or
- (ii) unless Delayed Redemption on Occurrence of Futures Adjustment Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, the Issuer may redeem the Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note being redeemed at an amount equal to the fair market value of a Note, taking into account the Futures Adjustment Event, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Noteholders in accordance with Base Condition 16 (*Notices*); or
- (iii) if Delayed Redemption on Occurrence of Futures Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Futures Adjustment Event less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Futures Adjustment Amount**") as soon as practicable following the occurrence of the Futures Adjustment Event (the "**Calculated Futures Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Futures Adjustment Amount plus interest accrued from and including the Calculated Futures Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected

## ANNEX 10 – ADDITIONAL TERMS AND CONDITIONS FOR FUTURES LINKED NOTES

Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms); or

- (iv) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(a);
- (v) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(b); or
- (vi) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder calculated and paid on such date determined, in accordance with Base Condition 11(c); or
- (vii) if the Calculation Agent determines that such Futures Adjustment Event constitutes a force majeure, and if Futures Linked Note Condition 3.1(b)(vi) is specified in the applicable Final Terms, the Issuer will, on giving notice to Noteholders in accordance with Base Condition 16 (*Notices*), redeem all but not some only of the Notes and pay to each Noteholder an amount in respect of each Note held by such Noteholder, which amount shall be equal to the fair market value of a Note taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Notes at their fair market value) and no such costs shall be deducted), such amount to be paid to the Noteholders on the date notified to the Noteholders in the notice of early redemption.

### 5. Notice

The Calculation Agent shall, as soon as practicable, notify the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), of any determination made by it pursuant to paragraph 3.1 (*Futures Modification, Futures Replacement or Futures De-Listing*) above and the action proposed to be taken in relation thereto and the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), shall make available for inspection by Noteholders copies of any such determinations.

### 6. Correction of Futures Price

## **ANNEX 10 – ADDITIONAL TERMS AND CONDITIONS FOR FUTURES LINKED NOTES**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Notes, if the price of the relevant Future(s) published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes, is subsequently corrected and the correction published by the relevant Exchange within the number of days equal to the Futures Correction Period of the original publication, the price to be used shall be the price of the relevant Future(s) as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Notes will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

## ANNEX 11

## ADDITIONAL TERMS AND CONDITIONS FOR INTEREST RATE LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Interest Rate Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Interest Rate Linked Notes set out below (the "**Interest Rate Linked Note Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Interest Rate Linked Note Conditions, the Interest Rate Linked Note Conditions shall prevail.

**1. Underlying Interest Rate Determination**

In respect of each Underlying Interest Determination Date specified in the applicable Final Terms, the Underlying Interest Rate or, if two or more Underlying Interest Rates are specified in the applicable Final Terms, each Underlying Interest Rate will be determined in the manner specified in the applicable Final Terms. Each Underlying Interest Rate comprising a Multiple Underlying Interest Rate will be calculated separately and independently as provided below and in the applicable Final Terms.

**2. ISDA Determination**

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Underlying Interest Rate is to be determined, the Underlying Reference Rate will be the relevant Underlying ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Underlying Margin (if any) specified in the applicable Final Terms. For the purposes of these Interest Rate Linked Note Conditions, "**Underlying ISDA Rate**" means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2021 ISDA Interest rate Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") provided that, the Calculation Agent may, acting in good faith and in a commercially reasonable manner, select any successor or replacement definitional booklet to the ISDA Definitions (as supplemented from time to time for interest rate derivatives), in which case ISDA Definitions will mean any such successor or replacement definitional booklet to the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms, provided that, if the Floating Rate Option specified in the applicable Final Terms is EUR-EURIBOR, in the event that EUR-EURIBOR has been discontinued, such other successor benchmark rate as the financial industry shall have accepted as a successor or substitute rate for EUR-EURIBOR;
- (2) except in the case of Overnight Floating Rate Options, the Designated Maturity is a period specified in the applicable Final Terms;



**ANNEX 11 – ADDITIONAL TERMS AND CONDITIONS FOR INTEREST RATE LINKED NOTES**

- (3) the relevant Reset Date is the date specified in the applicable Final Terms;
- (4) the Calculation Period is a period from, and including, Calculation Period Start Date (as specified in the applicable Final Terms) to, but excluding, the Underlying Interest Determination Date;
- (5) if an Overnight Floating Rate Option and an Overnight Rate Compounding Method is specified as applicable in the applicable Final Terms:
  - (i) OIS Compounding is applicable if specified in the applicable Final Terms;
  - (ii) Compounding with Lookback is applicable if specified in the relevant Final Terms, and if so, Lookback is the number of Applicable Business Days specified in the applicable Final Terms;
  - (iii) Compounding with Observation Period Shift is applicable if specified in the applicable Final Terms, and if so, (x) Set-in-Advance is applicable if specified in the applicable Final Terms, (y) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Final Terms or, if not so specified in the applicable Final Terms, in the ISDA Definitions, and (z) Observation Period Shift Additional Business Days are the days, if any, specified in the applicable Final Terms;
  - (iv) Compounding with Lockout is applicable if specified in the applicable Final Terms, and if so, (x) Lockout is the number of Lockout Period Business Days specified in the applicable Final Terms or, if not so specified in the applicable Final Terms, in the ISDA Definitions and (y) Lockout Period Business Days are the days specified as such in the applicable Final Terms or, if not so specified in the applicable Final Terms, in the ISDA Definitions;
  - (v) In each case Daily Capped Rate and/or Daily Floored Rate will be the rate (if applicable) as specified in the applicable Final Terms; or
- (6) if an Overnight Floating Rate Option and an Overnight Rate Averaging Method is specified as applicable in the applicable Final Terms:
  - (i) Overnight Averaging is applicable if specified in the applicable Final Terms;
  - (ii) Averaging with Lookback is applicable if specified in the applicable Final Terms and, if so, Lookback is the number of Applicable Business Days specified in the applicable Final Terms or, if not so specified in the applicable Final Terms, in the ISDA Definitions;
  - (iii) Averaging with Observation Period Shift is applicable if specified in the applicable Final Terms and, if so, (x) Set-in-Advance is applicable if specified as such in the applicable Final Terms, (y) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Final Terms or, if not so specified in the

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applicable Final Terms, in the ISDA Definitions, and (z) Observation Period Shift Additional Business Days are the days, if any, specified as such in the applicable Final Terms; or

- (iv) Averaging with Lockout is applicable if specified in the applicable Final Terms and, if so,
    - (x) Lockout is the number of Lockout Period Business Days specified in the applicable Final Terms or, if not so specified in the applicable Final Terms, in the ISDA Definitions,
    - and (y) Lockout Period Business Days are the days specified as such in the applicable Final Terms or, if not so specified in the applicable Final Terms, in the ISDA Definitions ;
  - (v) In each case Daily Capped Rate and/or Daily Floored Rate will be the rate (if applicable) as specified in the applicable Final Terms;
- (7) If an Index Floating Rate Option and an Index Method is specified as applicable in the applicable Final Terms:
- (i) Compounded Index Method is applicable if specified in the applicable Final Terms; and
  - (ii) All-in Compounded Index Method is applicable if specified in the applicable Final Terms; and
  - (iii) Compounded Index Method with Observation Period Shift is applicable if specified in the applicable Final Terms and, if so, (x) Set-in-Advance is applicable if specified as such in the applicable Final Terms, (y) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Final Terms or, if not so specified in the applicable Final Terms, in the ISDA Definitions and (z) Observation Period Shift Additional Business Days are the days, if any, specified as such in the applicable Final Terms;
- (8) in connection with the Index Method, references in the ISDA Definitions to: (A) numbers, financial centres or other items specified in the Confirmation shall be deemed to be references to the numbers, financial centres or other items specified for such purpose in the applicable Final Terms; (B) “Business Day in the financial centres, if any, specified for such purpose in the Confirmation” shall be deemed to be references to Business Day; (C) “Floating Rate Day Count Fraction” shall be deemed to be references to Day Count Fraction; (D) “Period End Date” shall be deemed to be references to the relevant Underlying Interest Determination Date; (E) “Termination Date” shall be deemed to be references to the final Underlying Interest Determination Date; and (F) “Effective Date” shall be deemed to be references to, and the Calculation Period Start Date (as specified in the applicable Final Terms;
- (9) Delayed Payment is applicable if specified in the applicable Final Terms and the relevant delay is the number of Business Days specified in respect of Delayed Payment in the applicable Final Terms;

- (10) Section 8.3 (*Linear Interpolation*) of the ISDA Definitions is deemed to be deleted unless “ISDA Definitions Linear Interpolation” is specified as applicable in the applicable Final Terms; and
- (11) Section 4.14 (*Calculation Agent*) shall not apply.

For the purposes of this Interest Rate Linked Note Condition 2, “**Floating Rate**”, “**Calculation Agent**”, “**Transaction**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**”, “**Overnight Floating Rate Option**”, “**Overnight Rate Compounding Method**”, “**Compounding with Lookback**”, “**Lookback**”, “**Applicable Business Days**”, “**Compounding with Observation Period Shift**”, “**Set-in-Advance**”, “**Observation Period Shift**”, “**Observation Period Shift Business Days**”, “**Compounding with Lockout**”, “**Lockout**”, “**Lockout Period Business Days**”, “**Daily Capped Rate**”, “**Daily Floored Rate**”, “**Averaging with Lookback**”, “**Averaging with Observation Period Shift**”, “**Averaging with Lockout**”, “**Index Method**”, “**Index Floating Rate Option**”, “**Compounded Index Method**”, “**All-in Compounded Index Method**” “**Compounded Index Method with Observation Period Shift**”, and “**Delayed Payment**” have the meanings given to those terms in the ISDA Definitions.

**3. Screen Rate determination for Underlying Reference Rates other than SONIA, SOFR, €STR, SARON and CMS**

Subject to the provisions of Interest Rate Linked Note Condition 9 below, if Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Underlying Interest Rate is to be determined, the Underlying Reference Rate will be determined by the Calculation Agent as follows:

- (A) if the Underlying Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Underlying Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Underlying Interest Determination Date;
- (B) in any other case, the Calculation Agent will determine the arithmetic mean of the Underlying Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Underlying Interest Determination Date;
- (C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will determine the Underlying Reference Rate as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and using its reasonable judgment.

**4. Screen Rate determination for Underlying Reference Rate being CMS**

Subject to the provisions of Interest Rate Linked Note Condition 9 below, where Screen Rate Determination is specified in the applicable Final Terms as the manner in which a Underlying Interest Rate is to be determined, and CMS is specified as the Underlying Reference Rate in the applicable Final

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Terms such Underlying Interest Rate, will subject as provided below, be the CMS Rate multiplied by the relevant Rate Multiplier, if any, plus or minus (as indicated in the applicable Final Terms) the relevant Underlying Margin (if any), all as determined by the Calculation Agent and provided that the Underlying Reference Rate may not be less than zero.

If the Relevant Screen Page is not available, the Issuer shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Relevant Time on the Underlying Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Calculation Agent with such quotation, the CMS Rate for such Underlying Interest Determination Date shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Underlying Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

For the purpose of this Interest Rate Linked Note Condition 4:

**"CMS Rate"** shall mean the applicable swap rate for swap transactions in the Relevant Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Reference Time on the Underlying Interest Determination Date in question, all as determined by the Calculation Agent.

**"CMS Reference Banks"** means (i) where the Relevant Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Relevant Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Relevant Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Relevant Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent.

**"Designated Maturity"**, **"Interest Determination Date(s)"**, **"Margin"**, **"Rate Multiplier"**, **"Relevant Currency"**, **"Relevant Screen Page"** and **"Relevant Time"** shall have the meanings given to those terms in the applicable Final Terms.

**"Relevant Swap Rate"** means:

- (1) where the Relevant Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to

the Designated Maturity commencing on the first day of the relevant period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions; and

- (2) where the Relevant Currency is any other currency or if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

"**Representative Amount**" means any amount that is representative for a single transaction in the relevant market at the relevant time.

#### 5. Screen Rate determination for Underlying Reference Rate being SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Underlying Reference Rate is to be determined and SONIA is specified as the Underlying Reference Rate in the applicable Final Terms, the Underlying Reference Rate will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the applicable Final Terms) the Margin, all as determined by the Calculation Agent.

For the purposes of this Interest Rate Linked Note Condition 5:

"**Compounded Daily SONIA**", will be calculated by the Calculation Agent on each Underlying Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{t-pLBD \times n_i}}{365} \right) - 1 \right] \times \frac{365}{d}$$

"**d**" means the number of calendar days in the relevant Observation Period;

"**d<sub>0</sub>**" means the number of London Banking Days in the relevant Observation Period;

"**i**" means a series of whole numbers from one to "**d<sub>0</sub>**", each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Observation Period to, and including, the last London Banking Day in such period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

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“**n<sub>i</sub>**” for any London Banking Day “i”, in the relevant Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day “i” up to, but excluding, the following London Banking Day;

“**Observation Period**” means, the period(s) indicated as such in the applicable Final Terms;

“**p**” for any Observation Period (as applicable), means the number of London Banking Days specified as the “Observation Shift Period” in the relevant Final Terms;

“**SONIA Reference Rate**” means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

“**SONIA<sub>i</sub>**” means the SONIA Reference Rate for the relevant London Banking Day “i”;

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

If, in respect of any London Banking Day in the relevant Observation Period (as applicable), the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to subject to Interest Rate Linked Note Condition 9 (*Benchmark Rate Replacement*), be:

- (A) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Subject to Interest Rate Linked Note Condition 9 (*Benchmark Rate Replacement*), if the Underlying Reference Rate cannot be determined in accordance with the foregoing provisions of this Interest Rate Linked Note Condition 5, the Underlying Reference Rate shall be (A) that determined as at the last

preceding Underlying Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Underlying Interest Determination Date from that which applied to the last preceding Underlying Interest Determination Date, the Margin relating to the relevant Underlying Interest Determination Date, in place of the Margin relating to that last preceding Underlying Interest Determination Date) or (B) if there is no such preceding Underlying Interest Determination Date, the Underlying Reference Rate shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

**6. Screen Rate determination for Underlying Reference Rate being SOFR**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Underlying Reference Rate is to be determined and SOFR is specified as the Underlying Reference Rate in the applicable Final Terms, the Underlying Reference Rate will, subject as provided below, be the Compounded SOFR plus or minus (as specified in the applicable Final Terms) the Margin, all as determined by the Calculation Agent on each Underlying Interest Determination Date.

For the purposes of this Interest Rate Linked Note Condition 6:

“**Benchmark**” means Compounded SOFR, which is a compounded average of daily SOFR, as determined with reference to for each Interest Period in accordance with the specific formula and other provisions set out in this Interest Rate Linked Note Condition 6.

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions below will apply.

“**Business Day**” means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Business Day Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

“**Compounded SOFR**” with respect to any Underlying Interest Determination Date, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

“**d**” is the number of calendar days in the relevant Observation Period;

“**d<sub>o</sub>**” is the number of U.S. Government Securities Business Days in the relevant Observation Period.

“**i**” is a series of whole numbers from one to “**d<sub>o</sub>**”, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period, to and including the last US Government Securities Business Day in such period;

“**n<sub>i</sub>**” for any U.S. Government Securities Business Day “**i**” in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day “**i**” to, but excluding, the following U.S. Government Securities Business Day (“**i+1**”);

“**Observation Period**” means, the period(s) indicated as such in the applicable Final Terms;

“**p**” for any Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the “**Observation Shift Period**” (as applicable) in the relevant Final Terms;

“**SOFR**” with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator’s Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the “**SOFR Determination Time**”); or
- (ii) subject to the provisions below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator’s Website;

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, or any successor source;

“**SOFR<sub>i</sub>**” means the SOFR for the relevant U.S. Government Securities Business Day “**i**”; and



“**U.S. Government Securities Business Day**” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Issuer shall use the fallback provisions formally recommended by the Relevant Governmental Body with reference to the Benchmark. If such recommendation are not available, the following provisions should apply.

The Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the Noteholders or any other party.

“**Benchmark**” means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then “Benchmark” shall mean the applicable Benchmark Replacement.

“**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the

replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the issuer or its designee as of the Benchmark Replacement Date:

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

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

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

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination,

the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

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

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“**Reference Time**” with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

“**Relevant Governmental Body**” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Interest Rate Linked Note Condition 6 will be notified promptly by the Issuer to the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), the Calculation Agent, the Paying Agents and, in accordance with Base Condition 16 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), of the same, the Issuer shall deliver to the Fiscal Agent, or the Euroclear Registrar (in the case of CREST Dematerialised Notes), a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Interest Rate Linked Note Condition 6; and
- (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

If the Underlying Reference Rate cannot be determined in accordance with the foregoing provisions of this Interest Rate Linked Note Condition 6, the Underlying Reference Rate shall be (A) that determined as at the last preceding Underlying Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Underlying Interest Determination Date from that which applied to the last preceding relevant Underlying Interest Determination Date, the Margin relating to the relevant Underlying Interest Determination Date, in place of the Margin relating to that last preceding Underlying Interest Determination Date) or (B) if there is no such preceding Underlying Interest Determination Date, the Underlying Reference Rate shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

#### **7. Screen Rate determination for Underlying Reference Rate being €STR**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Underlying Reference Rate is to be determined and €STR is specified as the Underlying Reference Rate in the applicable Final Terms, the Underlying Reference Rate will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Underlying Interest Determination Date.

For the purposes of this Interest Rate Linked Note Condition 7:

"**Compounded Daily €STR**" means, with respect to any Underlying Interest Determination Date, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Underlying Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

"**d**" means the number of calendar days in the relevant Observation Period;

"**D**" means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

"**d<sub>o</sub>**" means the number of TARGET Days in the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Day, is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Day immediately following such TARGET Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

"**€STR<sub>i</sub>**" means the €STR reference rate for the relevant TARGET Day "i".

"**i**" is a series of whole numbers from one to "d<sub>o</sub>", each representing the relevant TARGET Day in chronological order from, and including, the first TARGET Day in the relevant Observation Period; to, and including, the last TARGET Day in such period;

"**n<sub>i</sub>**" for any TARGET Day "i" in the relevant Observation Period, means the number of calendar days from (and including) such TARGET Day "i" up to (but excluding) the following TARGET Day;

"**Observation Period**" means, the period(s) indicated as such in the applicable Final Terms; and

"**p**" for any latest Observation Period, means the number of TARGET Days specified as the "Observation Shift Period" in the relevant Final Terms.

Subject to Interest Rate Linked Note Condition 9, if, where any Underlying Reference Rate is to be calculated pursuant to this Interest Rate Linked Note Condition 7, in respect of any TARGET Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Day shall be the €STR reference rate for the first preceding TARGET Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.

Subject to Interest Rate Linked Note Condition 9, if the Underlying Reference Rate cannot be determined in accordance with the foregoing provisions of this Interest Rate Linked Note Condition 7, the Underlying Reference Rate shall be (A) that determined as at the last preceding Underlying Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Underlying Interest Determination Date from that which applied to the last preceding relevant Underlying Interest Determination Date, the Margin relating to the relevant Underlying Interest Determination Date, in place of the Margin relating to that last preceding relevant Underlying Interest Determination Date) or (B) if there is no such preceding Underlying Interest Determination Date, the Underlying Reference Rate shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

**8. Screen Rate Determination for Reference Rate being SARON**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Underlying Reference Rate is to be determined and SARON is specified as the Underlying Reference Rate in the applicable Final Terms, the Underlying Reference Rate will, subject as provided below, be Compounded Daily SARON plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

For the purposes of this Interest Rate Linked Note Condition 5:

“**Compounded Daily SARON**”, will be calculated by the Calculation Agent on each Underlying Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SARON_{i-SIXBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

“**d**” means the number of calendar days in the relevant Observation Period;

“**d<sub>0</sub>**” means the number of SIX Business Days in the relevant Observation Period;

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“**i**” means a series of whole numbers from one to “**d<sub>o</sub>**”, each representing the relevant SIX Business Day in chronological order from, and including, the first SIX Business Day in the relevant Observation Period to, and including, the last SIX Business Day in such period;

“**SIX Business Day**” or “**SIXBD**” means a day (other than a Saturday or Sunday) which is not marked as currency holiday for CHF in the Trading & Currency Holiday Calendar published by SIX Swiss Exchange;

“**n<sub>i</sub>**” for any SIX Business Day “**i**”, in the relevant Observation Period (as applicable) is the number of calendar days from, and including, such SIX Business Day “**i**” up to, but excluding, the following SIX Business Day;

“**Observation Period**” means, the period(s) indicated as such in the applicable Final Terms;

“**p**” for any Observation Period (as applicable), means the number of SIX Business Days specified as the “**Observation Shift Period**” in the relevant Final Terms;

“**SARON Reference Rate**” means, in respect of any SIX Business Day, a reference rate equal to the daily Swiss Average Rate Overnight (“**SARON**”) rate for such SIX Business Day as provided by the administrator of SARON to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the SIX Business Day immediately following such SIX Business Day; and

“**SARON<sub>i</sub>**” means the SARON Reference Rate for the relevant SIX Business Day “**i**”;

For the avoidance of doubt, the formula for the calculation of Compounded Daily SARON only compounds the SARON Reference Rate in respect of any SIX Business Day. The SARON Reference Rate applied to a day that is a non- SIX Business Day will be taken by applying the SARON Reference Rate for the previous SIX Business Day but without compounding.

If, in respect of any SIX Business Day in the relevant Observation Period (as applicable), the Calculation Agent determines that the SARON Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SARON Reference Rate shall, subject to subject to Interest Rate Linked Note Condition 9 (*Benchmark Rate Replacement*), be the SARON Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding SIX Business Day on which the SARON Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Subject to Interest Rate Linked Note Condition 9 (*Benchmark Rate Replacement*), if the Underlying Reference Rate cannot be determined in accordance with the foregoing provisions of this Interest Rate Linked Note Condition 5, the Underlying Reference Rate shall be (A) that determined as at the last preceding Underlying Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Underlying Interest Determination Date from that which applied to the last preceding

Underlying Interest Determination Date, the Margin relating to the relevant Underlying Interest Determination Date, in place of the Margin relating to that last preceding Underlying Interest Determination Date) or (B) if there is no such preceding Underlying Interest Determination Date, the Underlying Reference Rate shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

**9. Benchmark Rate Replacement**

Other than in the case of a U.S. dollar-denominated Note for which the Underlying Reference Rate is specified in the relevant Final Terms as being SOFR, notwithstanding the provisions in Interest Rate Linked Note Condition 3, 4, 5, 6, 7 and 8, if the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for determining the Underlying Interest Rate) that (i) determines a Benchmark Rate Event has occurred and (ii) the relevant Benchmark Event Effective Date will fall on or prior to the day which would have been (but for the occurrence of the Benchmark Rate Event Effective Date) an Interest Determination Date in respect of the relevant Reference Rate, then the following provisions shall apply:

- (1) in respect of each Interest Period commencing on or after the Benchmark Rate Event Effective Date, the Reference Rate will be substituted by the Successor Rate (as adjusted in accordance with the Adjustment Spread, if any) for determining the Underlying Interest Rate in respect of each such Interest Period;
- (2) the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Underlying Interest Rate) will determine the adjustments (if any) to be made to the provisions of the Notes as it deems necessary in order the Successor Rate to be used for determining the Underlying Interest Rate;
- (3) the Issuer shall promptly and, in any case prior to the Benchmark Rate Event Effective Date, give notice to the Noteholders of the relevant Benchmark Rate Event, the Successor Rate and the adjustments (if any) made according to the sub-paragraph (2) above, in accordance with Base Condition 16 (*Notices*);
- (4) if the relevant Benchmark Rate Event may also constitute an Administrator/Benchmark Event in the determination of the Calculation Agent pursuant to Base Condition 13.1, the provisions of this Interest Rate Linked Note Condition 9 will apply.

For the purposes of this Interest Rate Linked Note Condition 9:

**"Adjustment Spread"** means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Underlying Interest Rate), determines is required to be applied to the Successor Rate in order to reduce or eliminate, to the



extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Underlying Reference Rate with the Successor Rate and is the spread, formula or methodology which:

- (i) is formally recommended by any Relevant Nominating Body in relation to the replacement of the Underlying Reference Rate with the Successor Rate; or
- (ii) in absence of any recommendation by any Relevant Nominating Body, the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Underlying Interest Rate) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions in relation to the replacement of the Reference Rate with the Successor Rate; or
- (iii) if no such customary market usage is recognised or acknowledged, the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Underlying Interest Rate) determines (acting in good faith and in a commercially reasonable manner) to be appropriate for the replacement of the Reference Rate with the Successor Rate.

**"Benchmark Rate Event"** means that in respect of a Reference Rate:

- (i) the administrator of that Reference Rate, or a person acting on behalf of that administrator, has issued a public statement, or has published information, in which it is announced that that administrator has ceased or will cease to provide that Reference Rate or certain tenors for which that Reference Rate is calculated and which correspond to the Interest Periods, permanently or indefinitely, *provided that*, at the time of the issuance of the statement or the publication of the information, there is no successor administrator that will continue to provide that Reference Rate or that tenor; or
- (ii) the competent authority for the administrator of that Reference Rate or any entity with insolvency or resolution authority over such administrator has issued a public statement, or has published information, in which it is stated that the administrator has ceased or will cease to provide that Reference Rate or certain tenors for which that Reference Rate is calculated and which correspond to the Interest Periods, permanently or indefinitely, *provided that*, at the time of the issuance of the statement or the publication of the information, there is no successor administrator that will continue to provide that Reference Rate or that tenor; or
- (iii) the competent authority for the administrator of that Reference Rate has issued a public statement, or has published information, in which it is announced that that Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that Reference Rate is intended to measure and that representativeness will not be restored; or

- (iv) it has or will become unlawful (including, without limitation, under Regulation (EU) 2016/1011, if applicable) for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using that Reference Rate.

**“Benchmark Rate Event Effective Date”** means, in respect of a Benchmark Event:

- (i) the first day on which the Reference Rate or the relevant tenor is no longer published or provided, if the Benchmark Rate Event occurred consists in one of the events or circumstances described in sub-paragraph (i) or (ii) of the definition of “Benchmark Rate Event”; or
- (ii) the first day on which the Reference Rate is no longer representative of the underlying market and economic reality that Reference Rate is intended to measure (even if the Reference Rate continues to be published or provided), if the Benchmark Rate Event occurred consists in the issuance or publication of the statement or information under sub-paragraph (iii) of the definition of “Benchmark Rate Event”; or
- (iii) the first day on which in no longer lawful for the Issuer or the Calculation Agent to use the Reference Rate, if the Benchmark Rate Event occurred consists in the event under sub-paragraph (iv) of the definition of “Benchmark Rate Event”.

**"Relevant Nominating Body"** means, in respect of a Reference Rate:

- (i) the central bank for the currency to which the reference rate or mid swap floating leg benchmark rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

**"Successor Rate"** means, in respect of a Reference Rate in relation to which a Benchmark Rate Event has occurred, the rate formally designated, nominated or recommended as the replacement rate for that Reference Rate by the administrator of such Reference Rate or any Relevant Nominating Body in the most recent statement or publication preceding the relevant Benchmark Rate Event Effective Date, *provided that*, in presence of two or more rates each of which has been formally designated, nominated or recommended by the administrator of such Reference Rate or any Relevant Nominating Body as a replacement rate for that Reference Rate, the Replacement Rate will be one of such rates as selected by the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Underlying Interest Rate). Without limiting the generality of the foregoing, in case of occurrence of a Benchmark Rate Event in respect of “EURIBOR”, according to the recommendations published on 11 May 2021 by the Working Group on euro risk free

rates on EURIBOR fallback trigger events and €STR-based EURIBOR fallback rates (the “**2021 WG Recommendations**”), the Replacement Rate for such rate will be (*provided that* the 2021 WG Recommendations are not superseded or replaced by any subsequent statement or publication by the administrator of the relevant Reference Rate of any Nomination Body) €STR.

**10. Determination of Underlying Interest Rate**

The Calculation Agent will, on or as soon as practicable after each date on which the Underlying Interest Rate is to be determined, which if the Notes are Hybrid Notes and Hybrid Business Day is specified as applicable in the applicable Final Terms, will be deemed to be a Scheduled Trading Day for the purposes of determining whether such day is a Hybrid Business Day (the "**Underlying Interest Determination Date**"), determine the Underlying Reference Rate (subject to any Minimum Underlying Reference Rate or Maximum Underlying Reference Rate specified in the applicable Final Terms). The Calculation Agent will notify the Principal Paying Agent of the Underlying Reference Rate as soon as practicable after calculating the same.

**11. Minimum and/or Maximum Underlying Reference Rate**

If the applicable Final Terms specifies a Minimum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Interest Rate Linked Note Conditions 2, 3, 4, 5, 6 and 7 above (as appropriate) is less than such Minimum Underlying Reference Rate, the Underlying Reference Rate shall be such Minimum Underlying Reference Rate.

If the applicable Final Terms specifies a Maximum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Interest Rate Linked Note Conditions 2, 3, 4, 5, 6 and 7 above (as appropriate) is greater than such Maximum Underlying Reference Rate, the Underlying Reference Rate shall be such Maximum Underlying Reference Rate.

## ANNEX 12

## ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES

If specified as applicable in the Final Terms, the terms and conditions applicable to Notes specified in the Final Terms as Credit Linked Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Credit Linked Notes set out below (the "**Credit Linked Note Conditions**") together with any other additional terms and conditions specified in the Final Terms and subject to completion in the Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Credit Linked Note Conditions, the Credit Linked Note Conditions shall prevail. A reference in these Credit Linked Note Conditions to "the Final Terms" shall be construed as being a reference to the applicable Final Terms and for Credit Linked Notes in respect of which more than one Reference Entity is specified, a reference to "the Reference Entity" shall be a reference to the applicable Reference Entity.

**1. General**

(a) Credit Terms

The Final Terms shall specify, amongst other things:

- (i) the Trade Date and the Scheduled Maturity Date;
- (ii) the type of Credit Linked Notes, being Single Reference Entity Credit Linked Notes, Zero Recovery Credit Linked Notes, Nth-to-Default Credit Linked Notes, Basket Credit Linked Notes, Tranched Credit Linked Notes, Bonus Coupon Credit Linked Notes, Combination Credit Linked Notes;
- (iii) the Settlement Method and, where Auction Settlement applies, the applicable Fallback Settlement Method;
- (iv) the Reference Entity or Reference Entities in respect of which a Credit Event may occur and, in each case, the related Transaction Type (if applicable, by way of reference to a Relevant Annex);
- (v) the Reference Obligation(s) (if any) in respect of each Reference Entity (if applicable, by specifying "Standard Reference Obligation: Applicable");
- (vi) the Reference Entity Notional Amount or, as applicable, Reference Entity Weighting in respect of each Reference Entity (save where such terms are set out in a Relevant Annex); and
- (vii) if the Credit Linked Notes are Combination Credit Linked Notes, the relevant information in sub-paragraphs (ii) to (vi) above for each of: (a) provisions relating to interest; and (b) provisions relating to principal.

(b) Physical Settlement Matrix

Where a Transaction Type is specified in the Final Terms in respect of any Reference Entity, then the provisions of these Credit Linked Note Conditions shall apply with respect to such Reference Entity in accordance with the Physical Settlement Matrix as it applies to such Transaction Type, as though such Physical Settlement Matrix were set out in full in the Final Terms.

(c) Index Credit Notes

Where "Index Credit Notes" is specified as applicable in the Final Terms, then notwithstanding Credit Linked Note Condition 7 (*Successors*), the Reference Entities for the purposes of the Credit Linked Notes shall be as set out in the Relevant Annex (together with, in respect of each relevant Reference Entity, the Reference Entity Notional Amount or, as applicable, the Reference Entity), Reference Obligations and Substitute Reference Obligations) as set out in the Final Terms, or, as applicable, as determined and published from time to time by the relevant Index Sponsor. The Calculation Agent may rely on any determinations of the relevant Index Sponsor and neither the Issuer nor the Calculation Agent will have any liability to the Noteholders or any other person as a result of relying on any such determination.

(d) Additional Provisions

If, in accordance with the specified Transaction Type or otherwise, any Additional Provisions are applicable, these Credit Linked Note Conditions shall take effect subject to the provisions thereof.

**2. Redemption**

(a) Redemption at Credit Linked Note Maturity Date

The Issuer will redeem each Credit Linked Note on the related Credit Linked Note Maturity Date (as such date may be extended in accordance with the definition thereof) by payment of an amount equal to the Outstanding Nominal Amount (as reduced from time to time in accordance with the definition thereof) of such Credit Linked Note (together with interest, if any, payable thereon) unless the Credit Linked Notes have been previously redeemed or purchased and cancelled in full (including pursuant to Credit Linked Note Conditions 2(b) (*Redemption following Event Determination Date*), 2(d) (*Redemption following a Merger Event*) or 2(e) (*Additional Credit Linked Note Disruption Events*)).

Where the Outstanding Nominal Amount of any Credit Linked Note is reduced to zero, then upon the performance by the Issuer of any remaining obligations in respect of the Credit Linked Note (including pursuant to Credit Linked Note Condition 2(b) (*Redemption following Event Determination Date*)), such Credit Linked Note shall be deemed to have been redeemed in full without further payment. In the case of Tranche Credit Linked Notes, redemption shall be in accordance with Credit Linked Note Condition 4.2 (*Tranche Credit Linked Notes*) below.

(b) Redemption following Event Determination Date

Upon the occurrence of an Event Determination Date in relation to any Reference Entity, the Issuer will:

**ANNEX 12 – ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES**

- (i) if the applicable Settlement Method is Auction Settlement, make payment in respect of each Credit Linked Note of its *pro rata* share of the Auction Settlement Amount on the Auction Settlement Date, unless a Fallback Settlement Event occurs, in which event the Issuer shall perform its respective payment and/or delivery obligations in accordance with the applicable Fallback Settlement Method;
- (ii) if the applicable Settlement Method is Auction Settlement (Leveraged), make payment in respect of each Credit Linked Note of its *pro rata* share of the Auction Settlement Amount (Leveraged) on the Auction Settlement Date, unless a Fallback Settlement Event occurs, in which event the Issuer shall perform its respective payment and/or delivery obligations in accordance with the applicable Fallback Settlement Method;
- (iii) if the applicable Settlement Method is Physical Settlement, perform its obligations in respect of each Credit Linked Note in accordance with Credit Linked Note Condition 5 (*Physical Settlement*);
- (iv) if the applicable Settlement Method is Cash Settlement, make payment in respect of each Credit Linked Note of its *pro rata* share of the Credit Linked Event Cash Settlement Amount on the Credit Event Cash Settlement Date; and
- (v) if the applicable Settlement Method is Cash Settlement (Leveraged), make payment in respect of each Credit Linked Note of its *pro rata* share of the Credit Linked Event Cash Settlement Amount (Leveraged) on the Credit Event Cash Settlement Date.

Where the applicable Settlement Method is Auction Settlement, if an Event Determination Date occurs with respect to a Reference Entity following the occurrence of a Fallback Settlement Event with respect to a prior Event Determination Date in relation to such Reference Entity and no Fallback Settlement Event occurs with respect to a subsequent Event Determination Date, the Issuer shall, if it so elects on or prior to a related Valuation Date or Delivery Date, redeem the Credit Linked Notes pursuant to the occurrence of the subsequent Event Determination Date in accordance with this Credit Linked Note Condition 2(b) (*Redemption following Event Determination Date*) by Auction Settlement.

This Credit Linked Note Condition 2(b) (*Redemption following Event Determination Date*) shall not apply, and the Issuer shall have no obligations hereunder in respect of Zero Recovery Credit Linked Notes.

(c) **Redemption at Maturity**

Where "Redemption at Maturity" is specified as applicable, payment of any Outstanding Nominal Amount, Auction Settlement Amounts, Auction Settlement Amounts (Leveraged), Credit Event Cash Settlement Amounts or Credit Event Cash Settlement Amounts (Leveraged), as applicable, shall be deferred until the later of the Credit Linked Note Maturity Date and the last Auction Settlement Date or Cash Settlement Date determined in respect of any Reference Entity (and notwithstanding any other

provision of the Base Conditions or these Credit Linked Note Conditions, no additional interest shall be payable on any payment of any amount which is so deferred).

(d) Redemption following a Merger Event

If “Merger Event” is specified as applicable in the Final Terms and in the case that:

“Reference Entity/Holder Merger” is specified as applicable, in the event that in the determination of the Calculation Agent a Reference Entity/Holder Merger has occurred, the Issuer may give notice to the Noteholders in accordance with Base Condition 16 (*Notices*), and redeem all but not some only of the Credit Linked Notes on the Merger Event Redemption Date, and if the Credit Linked Notes are so redeemed or, as the case may be, cancelled, the Issuer shall pay an amount to each Noteholder in respect of each Credit Linked Note, which amount shall be the greater of: (i) if a Principal Protection Level is specified in the Final Terms, the product of such Principal Protection Level and the initial Nominal Amount of such Credit Linked Note; and (ii) the fair market value of such Credit Linked Note taking into account the relevant Merger Event, and where “Hedging Link Provisions” are applicable, less the cost to the Issuer and/or its Affiliates of unwinding any related hedging arrangements (including without limitation any Credit Unwind Costs, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner), or, where "Hedging Link Provisions" are not applicable, plus a pro rata reimbursement of all costs paid by the initial purchasers of the Credit Linked Notes to the Issuer which were taken into account in determining the issue price of the Credit Linked Notes, or if "Monetisation Option" is specified as applicable in the applicable Final Terms, an amount in respect of each Credit Linked Note held by such Noteholder calculated and paid in accordance with Base Condition 11(c).

"Reference Entity/Issuer Merger" is specified as applicable, in the event that in the determination of the Calculation Agent a Reference Entity/Issuer Merger has occurred, the Issuer may either:

- (i) redeem the Credit Linked Notes in accordance with (i) above; or
- (ii) replace the relevant affected Reference Entity/ies (the "**Affected Reference Entity/ies**") respectively, with Similar Reference Entity/ies. In such event, where "Hedging Link Provisions" is applicable, any costs of the Issuer arising in connection with any re-hedging of such substitution may be recovered through an adjustment to the interest payable on the Credit Linked Notes and/or any redemption amounts payments payable under the Credit Linked Notes. The Calculation Agent shall notify the Issuer, which shall in its turn notify the Noteholders pursuant to the provisions of Base Condition 16 (*Notices*) of the decision taken by the Issuer and any adjustments made to the terms of the Credit Linked Notes. Details of any adjustment or decision made in relation to the above may be obtained by the Noteholders upon request at the Calculation Agent's specified address.

Notwithstanding the foregoing, where "Hedging Link Provisions" are specified as not applicable and the Calculation Agent determines that the relevant Merger Event constitutes a force majeure, the Issuer shall

pay to each Noteholder in respect of each Credit Linked Note, the fair market value of such Credit Linked Note, taking into account the relevant Merger Event, provided that no account will be taken of costs (other than costs that are unavoidable in connection with the early redemption of the Credit Linked Notes), as determined by the Calculation Agent acting in a commercially reasonable manner.

(e) Additional Credit Linked Note Disruption Events

If the Calculation Agent determines that an Additional Credit Linked Note Disruption Event has occurred, the Issuer may redeem the Credit Linked Notes by giving notice to Noteholders in accordance with Base Condition 16 (*Notices*). If the Credit Linked Notes are so redeemed, the Issuer will pay an amount to each Noteholder in respect of each Credit Linked Note equal to:

- (i) the greater of: (a) if a Principal Protection Level is specified in the Final Terms, the product of such Principal Protection Level and the initial Nominal Amount of such Credit Linked Note; and (b) the fair market value of such Credit Linked Note taking into account the Additional Credit Linked Note Disruption Event, less (where “Hedging Link Provisions” are specified as applicable) the cost to the Issuer and/or its Affiliates of unwinding any underlying hedging arrangements; or
- (ii) if "Monetisation Option" is specified as applicable in the applicable Final Terms, an amount in respect of each Credit Linked Note held by such Noteholder calculated and paid in accordance with Base Condition 11(c); or
- (iii) where "Hedging Link Provisions" are specified as not applicable and the Calculation Agent determines that the Additional Credit Linked Note Disruption Event constitutes a force majeure, the fair market value of such Credit Linked Note, taking into account the relevant Additional Credit Linked Note Disruption Event, provided that no account will be taken of costs (other than costs that are unavoidable in connection with the early redemption of the Credit Linked Notes),

all as determined by the Calculation Agent in a commercially reasonable manner.

(f) Suspension of Obligations

If there is a DC Credit Event Question in relation to any Reference Entity, then (unless the Issuer otherwise elects by notice to the Calculation Agent and the Noteholders) from the date of such DC Credit Event Question (and notwithstanding that the relevant Credit Derivatives Determinations Committee has yet to determine whether Publicly Available Information is available or that a Credit Event has occurred), any obligation of the Issuer to redeem any Credit Linked Note (including pursuant to Credit Linked Note Condition 2(b) (*Redemption following Event Determination Date*)) (and the timing requirements of the Cash Event Cash Settlement Date, Valuation Date, Relevant Valuation Date, NOPS Cut-off Date, Physical Settlement Period and any other provisions pertaining to settlement) insofar as it relates to the relevant Reference Entity, or pay any interest amount which would otherwise be due thereon or any obligation of the Calculation Agent to calculate any interest amount (in each case, regardless of whether any such interest relates to the relevant Reference Entity), shall, insofar as it relates to the relevant



Reference Entity, be and remain suspended until the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Question Dismissal.

During such suspension period, the Issuer shall not be obliged to, nor entitled to, take any action in connection with the redemption of the Credit Linked Notes, in each case insofar as they relate to the relevant Reference Entity, or in connection with the payment of any applicable interest on the Credit Linked Notes, nor, if the Final Terms specifies that "Calculation and Redemption Suspension" applies, shall the Calculation Agent be obliged to take any action in connection with the calculation of any interest amount (in each case, if the Final Terms specifies that "Calculation and Redemption Suspension" applies, regardless of whether any such interest relates to the relevant Reference Entity). Once the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Question Dismissal has occurred, such suspension shall terminate and any obligations so suspended shall resume on the Credit Linked Note Business Day following such public announcement by ISDA, with the Issuer and, as the case may be, the Calculation Agent having the benefit of the full day notwithstanding when the suspension began. Any interest amount so suspended shall, subject always to Credit Linked Note Condition 3(a) (*Calculation of Interest Amount*), become due on a date selected by the Calculation Agent falling not later than fifteen Business Days following such public announcement by ISDA.

For the avoidance of doubt, no additional interest shall accrue on any payment of interest or any other amounts which are deferred in accordance with this Credit Linked Note Condition 2(f) (*Suspension of Obligations*).

(g) Miscellaneous provisions relating to Redemption

If the Credit Linked Notes are partially redeemed, the relevant Credit Linked Notes or, if the Credit Linked Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption. Upon such partial redemption, the Outstanding Nominal Amount of each Credit Linked Note shall be reduced for all purposes (including accrual of interest amounts thereon but without duplication with any cessation of interest accrual pursuant to Credit Linked Note Condition 3(a) (*Calculation of Interest Amount*) accordingly.

Redemption of any Credit Linked Note in accordance with this Credit Linked Note Condition 2 (*Redemption*), together with payment of interest, if any, due thereon shall discharge all or the relevant portion of the obligations of the Issuer in relation thereto.

**3. Interest**

(a) Calculation of Interest Amount

In the case of Credit Linked Notes which are specified in the Final Terms to bear interest and subject to Credit Linked Note Condition 4.8 (*Credit Linked Principal Only Credit Linked Notes*), such interest amounts shall accrue on the daily Outstanding Nominal Amount of each Credit Linked Note as the same may be reduced from time to time in accordance with the Credit Linked Note Conditions. Base Condition

7 (*Interest*) shall be construed accordingly in relation to Credit Linked Notes. Upon the occurrence of an Event Determination Date in respect of any Reference Entity, the Outstanding Nominal Amount of each Credit Linked Note shall, for the purposes of the calculation of accrual of interest thereon, be deemed to have been reduced in an amount equal to such Credit Linked Note's *pro rata* share of the relevant Reference Entity Notional Amount (or, in the case of Tranching Credit Linked Notes, of the corresponding Writedown Amount) with effect from and including:

- (a) either:
  - (i) if "Accrual to Interest Payment Date" is specified as applicable in the Final Terms, the Interest Payment Date; or
  - (ii) if "Accrual to Interest Period End Date" is specified as applicable in the Final Terms, the Interest Period End Date,

immediately preceding such Event Determination Date (or, in the case of the first Interest Payment Date or Interest Period End Date, the Interest Commencement Date); or

- (b) if "Accrual to Event Determination Date" is specified as applicable in the Final Terms, such Event Determination Date.

(b) Interest following Scheduled Maturity

Subject always to Credit Linked Note Condition 3(a) (*Calculation of Interest Amount*), if an Extension Notice has been given (other than pursuant to paragraph (d) of the definition of "Extension Notice"), each Credit Linked Note which is outstanding following the Scheduled Maturity Date shall continue to bear interest on its daily Outstanding Nominal Amount from (and including) the Scheduled Maturity Date to (but excluding) the related Credit Linked Note Maturity Date at an interest Rate equal to either:

- (i) if "Deposit Rate" is specified as applicable in the Final Terms under the heading "Interest following Scheduled Maturity", the rate that Mediobanca, Mediobanca International or MBFL would pay to an independent customer in respect of overnight deposits in the currency of the Credit Linked Notes; or
- (ii) such other rate as shall be specified for such purpose in the Final Terms (which may be zero),

subject in all cases to a minimum of zero. If "Deposit Rate" is not so specified or no such other rate is specified for such purpose, no interest shall accrue during the relevant period. For the avoidance of doubt, if an Extension Notice has been given pursuant to paragraph (d) of the definition thereof, no interest shall accrue from (and including) the Scheduled Maturity Date to (but excluding) the related Credit Linked Note Maturity Date.

(c) Interest Payment Dates

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If the Credit Linked Notes are redeemed pursuant to the Base Conditions or these Credit Linked Note Conditions, the Scheduled Maturity Date, the Credit Linked Note Maturity Date (if not the Scheduled Maturity Date), the last Auction Settlement Date, the last Credit Event Cash Settlement Date or the last Delivery Date, as the case may be, shall be an Interest Payment Date in respect of each Credit Linked Note and the Issuer shall pay any interest that is accrued and unpaid in respect of each Credit Linked Note on such Interest Payment Date.

(d) Hybrid Interest Notes

- (i) If Hybrid Interest (Simple) is specified as applicable in the applicable Final Terms, Credit Linked Note Condition 3(a) and 3(b) will not apply for the purpose of the calculation of the Interest to be calculated in accordance with the provisions of Base Condition 7(c) (*Structured Rate Notes*) (the “**Linked Interest**”). The Linked Interest will be calculated in accordance with the provisions of Base Condition 7(c) (*Structured Rate Notes*) on the basis of the terms and the original Nominal Amount, specified in the applicable Final Terms.
- (ii) If Hybrid Interest (Credit) is specified as applicable in the applicable Final Terms, Credit Linked Note Condition 3(a) (*Calculation of Interest Amount*) will apply for the purpose of the calculation of the Linked Interest. The Linked Interest will be calculated in accordance with the provisions of Base Condition 7(c) (*Structured Rate Notes*) on the basis of the terms specified in the applicable Final Terms and the Nominal Amount as reduced according to Credit Linked Note Condition 3(a) (*Calculation of Interest Amount*).

Bonus Interest Credit Linked Notes

If the Credit Linked Notes are Bonus Interest Credit Linked Notes, an additional amount shall be payable on either:

- (i) where “**Final Payment**” is specified as the applicable Bonus Interest Type in the relevant Final Terms, the Credit Linked Notes Maturity Date; or
- (ii) where “**Running Basis**” is specified as the applicable Bonus Interest Type in the relevant Final Terms, the specified Bonus Interest Payment Dates,

in relation to the Credit Linked Notes in an amount equal, in respect of each Credit Linked Note, to the initial Nominal Amount thereof multiplied by the Outstanding Bonus Interest Rate, and where the Running Basis is applicable, multiplied by the Bonus Coupon Day Count Fraction.

#### 4. Terms relating to Credit Linkage Features

(a) Nth-to-Default Credit Linked Notes

Where the Credit Linked Notes are Nth-to-Default Credit Linked Notes, an Event Determination Date shall not be taken into account for the purposes of Credit Linked Note Condition 2 (*Redemption*) and

## ANNEX 12 – ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES

Credit Linked Note Condition 3 (*Interest*) unless and until the number of Reference Entities in respect of which an Event Determination Date has occurred is equal to “N” (as specified in the Final Terms). Unless a value is specified for “M” in the Final Terms of such Credit Linked Notes, with effect from such date, no Event Determination Date shall occur in respect of any other relevant Reference Entity. Where a value is specified for “M”, the provisions of Credit Linked Note Condition 2 (*Redemption*) and Credit Linked Note Condition 3 (*Interest*) shall apply in respect of every subsequent Event Determination Date until the number of Reference Entities in respect of which an Event Determination Date has occurred is equal to “M” (as specified in the Final Terms). Where "Unwind Costs for the Remaining Names" is specified as applicable in the Final Terms of such Credit Linked Notes, an amount equal to the Unwind Value of the Reference CDS in respect of the Reference Entity which has not been determined as the Nth-to-Default Reference Entity (where “N” is 1) shall be added to the Credit Unwind Costs in respect of the Auction Settlement Amount, the Auction Settlement Amount (Leveraged), the Credit Event Cash Settlement Amount or the Credit Event Settlement Amount (Leveraged), as applicable.

(b) Tranched Credit Linked Notes

The following provisions shall apply in respect of Credit Linked Notes that are Tranched Credit Linked Notes. For clarification, in respect of such Credit Linked Notes, in the event of any inconsistency between the following and the remainder of the Credit Linked Note Conditions, the following shall prevail:

- (i) Unless the Credit Linked Notes have been previously redeemed or purchased and cancelled in full (including pursuant to any Credit Linked Note Condition), the Issuer will redeem each Tranched Credit Linked Note on the Credit Linked Note Maturity Date by payment of an amount equal to the Outstanding Nominal Amount of such Credit Linked Note (together with interest, if any, payable thereon) plus if “Incurred Recoveries” is specified as applicable in the applicable Final Terms, its *pro rata* share of the Aggregate Incurred Recovery Amount, provided that (unless “Zero Recovery Credit Linked Notes” is applicable in the Final Terms or the Final Price is specified in the Final Terms) if an Unsettled Credit Event has occurred, (A) a Redemption Preliminary Amount will be payable on the Credit Linked Note Maturity Date and a Redemption Residual Amount will be payable on the Final Settlement Date, and (B) the Aggregate Incurred Recovery Amount (if any) in respect of each Tranched Credit Linked Note shall be payable on the Final Settlement Date instead of the Credit Linked Note Maturity Date. For the avoidance of doubt, no interest amount shall accrue or be payable in respect of any Aggregate Incurred Recovery Amount or any payment or postponement of payment thereof.
- (ii) If the Outstanding Nominal Amount of any Tranched Credit Linked Note is reduced to zero, such Credit Linked Note will be redeemed in full by payment of an amount equal to its *pro rata* share of the Aggregate Incurred Recovery Amount (if any) on the Final Settlement Date, and, for the avoidance of doubt, no interest amount shall accrue or be payable in respect of any Aggregate Incurred Recovery Amount (or any payment or postponement of payment thereof) and the Issuer shall have no further obligations in respect of such Credit Linked Notes.

- (iii) If the Calculation Agent determines in relation to any Reference Entity:
- (A) without prejudice to the sub-paragraphs below, that a Credit Event has occurred or may occur on or prior to any Interest Payment Date;
  - (B) that a Potential Failure to Pay has occurred or may occur on or prior to any Interest Payment Date;
  - (C) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to any Interest Payment Date;
  - (D) that a Credit Event Resolution Request Date has occurred or may occur on or prior to any Interest Payment Date; or
  - (E) (unless “Zero Recovery Credit Linked Notes” is applicable in the Final Terms or the Final Price is specified in the Final Terms) that an Unsettled Credit Event has occurred,

then interest (if any) on such Tranching Credit Linked Note shall be deemed to cease to accrue on an Outstanding Nominal Amount equal to its *pro rata* share of the sum of : (i) the maximum Incurred Loss Amounts, and (ii) the maximum Incurred Recovery Amounts (if “Incurred Recoveries” is specified as applicable in the Final Terms), which could be determined (assuming an Auction Final Price, Weighted Average Final Price or Final Price of zero) (a “**Deemed Interest Reduction**”) with effect from and including the Interest Period End Date (or, if none, the Interest Commencement Date) immediately preceding the date of such determination or (in the case of the occurrence of an Unsettled Credit Event) the relevant date applicable pursuant to Credit Linked Note Condition 3(a) (*Calculation of Interest Amount*). In such case, the related Interest Shortfall Amount (if any) shall be payable on the related Interest Shortfall Payment Date. No interest shall be payable in respect of any such postponement of payment of any Interest Shortfall Amount or any other interest or other amounts.

- (iv) If any day is a Final Price Calculation Date with respect to more than one Reference Entity, the Loss Amount, the Recovery Amount, the Incurred Loss Amount and the Incurred Recovery Amount (if applicable) with respect to each Reference Entity shall be calculated in the order that either of the following events occurred with respect to such Reference Entities: (i) the Credit Event Resolution Request Date (provided that if a Credit Event Resolution Request Date occurs in respect of more than one such Reference Entity on the same day, the first Reference Entity in respect of which the DC Secretary announces that the relevant DC Credit Event Question was effective and the relevant Credit Derivatives Determinations Committee was in possession of the relevant Publicly Available Information, in each case in accordance with the “Credit Event Resolution Request Date” definition, shall be deemed to have satisfied this condition first) or (ii) the delivery of the Credit Event Notice (provided that if any of the relevant Credit Event

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Notices are delivered at the same time, in a sequential order as determined by the Calculation Agent).

### (c) Combination Credit Linked Notes

Where the Credit Linked Notes are Combination Credit Linked Notes:

- (i) where any Credit Component is specified in the Final Terms as an "Interest Component", amounts payable in respect of interest on the Notes shall, subject to (iv) below, be calculated by reference to the terms set out in respect of such Credit Component;
- (ii) where any Credit Component is specified in the Final Terms as a "Principal Component", amounts payable by way of redemption of the Notes shall, subject to (iv) below, be calculated by reference to the terms set out in respect of such Credit Component;
- (iii) where any Credit Component is specified in the Final Terms as a "Principal and Interest Component", amounts payable by way of redemption of the Notes shall, subject to (iv) below, be calculated by reference to the terms set out in respect of such Credit Component; and
- (iv) more than one Credit Component may be specified in the Final Terms as an "Interest Component", "Principal Component" or "Principal and Interest Component", provided that a related "Component Percentage" is specified; in such case, all references in the definitions of "Reference Entity Notional Amount" and "Outstanding Nominal Amount" to the "initial aggregate Nominal Amount" shall, for the purposes of such Credit Component be references to the related Component Nominal Amount.

### (d) Hybrid Credit Linked Notes

Where the Credit Linked Notes are Hybrid Credit Linked Notes, then:

- (i) if the Final Terms provide that "Event Determination Date Overrides Automatic Early Redemption" is applicable, an Automatic Early Redemption Date shall not be capable of occurring in respect of the Credit Linked Notes if, as of the related Automatic Early Redemption Valuation Date, an Event Determination Date has occurred (but any Event Determination Date occurring after such Automatic Early Redemption Valuation Date shall be disregarded); and
- (ii) if the Final Terms specify that "Credit Linked Calculation Basis" is applicable, any reference to the "Nominal Amount", "Calculation Amount", "Specified Denomination" or any related abbreviation for the purpose of determining any amount payable by way of interest or coupon or on scheduled or early redemption of the Notes and which is calculated by reference to a Type of Underlying Reference other than the Reference Entity or Entities or the credit risk thereof, shall be to the Outstanding Nominal Amount, save with respect to any amounts determined and paid under any item of the Final Terms specified as an "Excluded Item" for such purpose (which may include, without limitation, Item 22 (*Final Payout*)); and

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(iii) the Credit Linked Note Maturity Date shall notwithstanding such definition, be subject to deferral as provided for in these Credit Linked Note Conditions and as provided with respect to the Maturity Date in any terms and conditions of the Credit Linked Notes which relate to a Type of Underlying Reference referred to at (ii) above.

(e) Basket Credit Linked Notes where the Final Terms specify a Distribution End Date

If a Distribution Period Event Determination Date occurs with respect to any Reference Entity and any Basket Credit Linked Notes, Credit Linked Note Conditions 2(b) (*Redemption following Event Determination Date*), 2(c) (*Settlement at Maturity*) and 5 (*Physical Settlement*) shall not apply and the following provisions shall apply (and for clarification, in respect of such Credit Linked Notes, in the event of any inconsistency between the following and the remainder of the Credit Linked Note Conditions, the following shall prevail); where the Final Terms specify that "Distribution Period Redemption" applies:

(i) irrespective of the applicable Settlement Method, the Issuer will redeem each outstanding Credit Linked Notes in part, on the fifth Business Day following the Distribution End Date in an Outstanding Nominal Amount corresponding to such Credit Linked Note's pro rata share of the relevant Reference Entity Notional Amount by making a payment in respect of each Credit Linked Note equal to its pro rata share of the related Reference Entity Notional Amount. For this purpose, in the case of an M(M)R Restructuring, Credit Linked Note Condition 9(a) (*Multiple Credit Event Notices*) shall not apply; and

(ii) for the avoidance of doubt, no further Event Determination Date may occur in respect of such Reference Entity; or

(iii) where the Final Terms specify that "Redemption at Maturity" applies:

(a) with effect from such Distribution Period Event Determination Date, such Reference Entity shall no longer be treated as a Reference Entity for the purpose of these Credit Linked Note Conditions and no further Event Determination Date may occur with respect thereto, including where the Event Determination Date relates to a Restructuring Credit Event in respect of which an Exercise Amount has been determined; and

(b) no adjustment shall be made to the Reference Entity Notional Amount in respect of any other Reference Entity as a result of the above (notwithstanding the definition thereof);  
or

(iv) where the Final Terms specify that "Distribution Period Event Determination Date Disapplication" applies, notwithstanding anything to the contrary in these Credit Linked Note Conditions, any Distribution Period Event Determination Date which occurs with respect to a Reference Entity shall not be treated as an Event Determination Date for the purpose of these

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Credit Linked Note Conditions and only Event Determination Dates which occur on or after the Distribution End Date shall be treated as Event Determination Dates for the purpose of these Credit Linked Note Conditions.

(f) Bonus Coupon Credit Linked Notes

If the Credit Linked Notes are Bonus Coupon Credit Linked Note, an additional amount shall be payable on either:

- (i) where "Final Payment" is specified as the applicable Bonus Coupon Type in the relevant Final Terms, the Final Settlement Date; or
- (ii) where "Running Basis" is specified as the applicable Bonus Coupon Type in the relevant Final Terms, the specified Bonus Coupon Payment Dates,

in relation to the Credit Linked Notes in an amount equal, in respect of each Credit Linked Note, to the initial Nominal Amount thereof multiplied by the Outstanding Bonus Coupon Rate, and where the Running Basis is applicable, multiplied by the Bonus Coupon Day Count Fraction.

(g) Credit Linked Interest Only Credit Linked Notes

If "Credit Linked Interest Only" is specified as applicable in the applicable Final Terms, Credit Linked Note Condition 3 (*Interest*) will apply to the Notes, but Credit Linked Notes Conditions 2(a) (*Redemption at Credit Linked Notes Maturity Date*), 2(b) (*Redemption following Event Determination Date*) and 2(c) (*Redemption at Maturity*) will not apply. Unless the Credit Linked Notes have previously been redeemed or purchased and cancelled in full (including pursuant to Credit Linked Note Conditions 2(d) (*Redemption following a Merger Event*) or 2(e) (*Additional Credit Linked Note Disruption Events*)) the Issuer will redeem each Credit Linked Note on the relevant Credit Linked Note Maturity Date by payment of the original Nominal Amount specified in the applicable Final Terms.

(h) Credit Linked Principal Only Credit Linked Notes

If "Credit Linked Principal Only" is specified as applicable in the applicable Final Terms, Credit Linked Note Condition 2 (*Redemption*) will apply to the Notes but Credit Linked Note Condition 3 (*Interest*) will not apply. Where the redemption of any such Credit Linked Notes is postponed following the Scheduled Maturity Date, no interest shall accrue in respect of any such Credit Linked Notes from (and including) the Scheduled Maturity Date until the relevant date of redemption.

Where any such Credit Linked Notes are subject to redemption in full in circumstances where further amounts are or may be payable subsequently in respect of interest thereon, then, only to the extent required by the terms of any relevant clearing system in order to permit payment of such interest, each Credit Linked Note shall be deemed to remain outstanding in an amount equal to one unit of the Specified Currency. No payment shall be made in respect of such outstanding amount, and each Credit Linked



Note which is deemed to be outstanding on such basis shall be cancelled in full on the last date for payment of interest thereon.

**5. Physical Settlement**

(a) Delivery and payment

If Physical Settlement applies to any Credit Linked Note, then, upon the occurrence of an Event Determination Date, the Issuer shall, on or prior to the related Physical Settlement Date and subject to Credit Linked Note Condition 5(b), Credit Linked Note Condition 5(c) and Credit Linked Note Condition 5(f), redeem such Credit Linked Note in full (or, where such Credit Linked Note is a Basket Credit Linked Note, in part, in an Outstanding Nominal Amount corresponding to such Credit Linked Note's *pro rata* share of the relevant Reference Entity Notional Amount), respectively, by:

- (b) delivering a *pro rata* share of the Deliverable Obligations specified in the related Notice of Physical Settlement or NOPS Amendment Notice, as applicable; and
- (c) paying such Credit Linked Note's *pro rata* portion of the related Physical Settlement Adjustment Rounding Amount.

(b) Partial Credit Event Cash Settlement

If, due to an event beyond the control of the Issuer, it is impossible or illegal for the Issuer to Deliver or, due to an event beyond the control of the Issuer or any Noteholder, it is impossible or illegal for the relevant Noteholder or, where “Hedging Link Provisions” is specified as applicable in the Final Terms, to accept Delivery of any of the Deliverable Obligations (other than a Deliverable Obligation described in paragraph (d) of the definition of “Deliverable Obligation”) specified in a Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, on the related Physical Settlement Date, then on such date the Issuer shall Deliver any of the Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, for which it is possible and legal to take Delivery. If any Undeliverable Obligations have not been delivered on or prior to the Latest Permissible Physical Settlement Date, then Partial Credit Event Cash Settlement shall apply with respect to such Undeliverable Obligations and, accordingly, the Issuer shall pay the relevant Noteholders an amount equal to the Partial Credit Event Cash Settlement Amount, to be apportioned *pro rata* amongst the relevant Noteholders on the Partial Credit Event Cash Settlement Date.

(c) Non-Delivery of Deliverable Obligations

If the Issuer does not Deliver any Deliverable Obligation specified in a Notice of Physical Settlement or NOPS Amendment Notice, as applicable, other than as a result of an event or circumstance contemplated in Credit Linked Note Condition 5(b) above (including following the occurrence of a Hedge Disruption Event), such failure shall not constitute an Event of Default or breach of agreement for the purpose of

the Credit Linked Notes and the Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans until the Extended Physical Settlement Date.

If, as at the relevant Extended Physical Settlement Date, any such Deliverable Obligations have not been Delivered, then Partial Credit Event Cash Settlement shall apply with respect to such Deliverable Obligations and the Issuer shall pay to the Noteholders an amount equal to the Partial Credit Event Cash Settlement Amount to be apportioned *pro rata* amongst the Noteholders on the Partial Credit Event Cash Settlement Date.

(d) Aggregation and Rounding

Where a Noteholder holds Credit Linked Notes in an Outstanding Nominal Amount greater than the Specified Denomination, the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of the Credit Linked Notes of such Noteholder shall be aggregated for the purposes of this Credit Linked Note Condition 5. If the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of each Credit Linked Note to be redeemed pursuant to this Credit Linked Note Condition 5(d) on any occasion is not equal to an authorised denomination (or integral multiple thereof) of such Deliverable Obligations then the Outstanding Principal Balance of Deliverable Obligations to be Delivered will be rounded down to the nearest authorised denomination or multiple thereof, or, if none, to zero. In such circumstances, the Deliverable Obligations that were not capable of being Delivered shall, if and to the extent practicable, be sold by the Issuer or such other agent as may be appointed by the Issuer for such purpose and, if they are so sold, the Issuer shall make payment in respect of each Credit Linked Note in an amount equal to its *pro rata* share of the related net sale proceeds as soon as reasonably practicable following receipt thereof.

(e) Delivery and Fees

The Delivery of any of the Deliverable Obligations pursuant to the provisions of this Credit Linked Note Condition 5 (*Physical Settlement*) shall be made in such manner as the Issuer shall determine, in a commercially reasonable manner, to be appropriate for such Delivery. Subject as set out in the definition of "Deliver":

- (i) any recordation, processing or similar fee reasonably incurred by the Issuer and/or any of its Affiliates and payable to the agent under a Loan in connection with an assignment or novation (where Deliverable Obligations include Assignable Loans or Consent Required Loans) or participation (where Deliverable Obligations include Direct Loan Participations) shall be payable by the relevant Noteholders, and if any stamp tax or transaction tax is payable in connection with the Delivery of any Deliverable Obligations, payment thereof shall be made by the relevant Noteholders; and
- (ii) where "Hedging Link Provisions" is applicable, any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the Noteholders or the

Issuer, as appropriate, determined by the Calculation Agent in accordance with then current market conventions.

Delivery and/or transfer of the Deliverable Obligations shall be delayed until all expenses relating to such Delivery or transfer payable by the Noteholders pursuant to (i) and/or (ii) above, as applicable, have been paid to the satisfaction of the Issuer.

(f) Physical Delivery Confirmation Notice

A Noteholder will not be entitled to any of the amounts or assets specified as being due to it in this Credit Linked Note Condition 5 upon the occurrence of an Event Determination Date and delivery of the Notice of Physical Settlement unless it has presented or surrendered (as is appropriate) the relevant Credit Linked Note and delivered a Physical Delivery Confirmation Notice in accordance with Base Condition 12.1 (*Physical Delivery Confirmation Notice Requirement*). For so long as the Credit Linked Notes are held in any clearing system, any communication from such clearing system on behalf of the Noteholder containing the information required in a Physical Delivery Confirmation Notice will be treated as a Physical Delivery Confirmation Notice. For as long as Bearer Notes are represented by a Global Note, surrender of Credit Linked Notes for such purpose will be effected by presentation of the Global Note and its endorsement to note the Outstanding Nominal Amount of Credit Linked Notes to which the relevant a Physical Delivery Confirmation Notice relates.

(g) Disapplication of Physical Settlement

Where “Hedging Link Provisions” are specified as not applicable in the applicable Final Terms, Physical Settlement will not apply.

**6. Provisions relating to Obligation Category and Characteristics and Deliverable Obligation Category and Characteristics**

(a) Obligation Characteristics

If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in the related Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.

(b) Deliverable Obligation Category and Characteristics

If:

- (i) any of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in the related Final Terms or is applicable in respect of the applicable Transaction Type, such Final Terms shall be construed as though such Deliverable Obligation

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Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds;

- (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the Final Terms or is applicable in respect of the applicable Transaction Type, 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;
- (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the Final Terms or is applicable in respect of the applicable Transaction Type, 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
- (iv) more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified in the Final Terms as Deliverable Obligation Characteristics or is applicable in respect of the applicable Transaction Type, 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.

### (c) Relevant Guarantee

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 Deliverable Obligation Characteristics, if any, specified in the Final Terms or applicable in respect of the relevant Transaction Type 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 Final Terms or applicable in respect of the relevant Transaction Type 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".

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(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.

(v) For the avoidance of doubt the provisions of this Credit Linked Note Condition 6 apply in respect of the definitions of "Obligation" and "Deliverable Obligation" as the context admits.

(d) **Maximum Maturity**

For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.

(e) **Financial Reference Entity Terms and Governmental Intervention**

If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in respect of a Reference Entity, 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.

(f) **Prior Deliverable Obligation or Package Observable Bond**

For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in Credit Linked Note Condition 9(b) (Mod R) and Credit Linked Note Condition 9(c) (Mod Mod R) 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.

(g) **Subordinated European Insurance Terms**

If "Subordinated European Insurance Terms" is specified as applicable in respect of the Reference Entity, 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.

(h) **Accrued Interest**

With respect to any Credit Linked Notes for which:

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- (i) "Physical Settlement" is specified to be the Settlement Method in the related Final Terms (or for which Physical Settlement is applicable as the Fallback Settlement Method), the Outstanding Principal Balance of the Deliverable Obligations being Delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified in the related Final Terms, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest;
  - (ii) "Cash Settlement" is specified to be the Settlement Method in the related Final Terms (or if Cash Settlement is applicable as the Fallback Settlement Method), and:
    - (A) "Include Accrued Interest" is specified in the related Final Terms, the Outstanding Principal Balance of the Reference Obligation or Valuation Obligation, as applicable, shall include accrued but unpaid interest;
    - (B) "Exclude Accrued Interest" is specified in the related Final Terms, the Outstanding Principal Balance of the Reference Obligation or Valuation Obligation, as applicable, shall not include accrued but unpaid interest; or
    - (C) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the related Final Terms, the Calculation Agent shall determine based on the then current market practice in the market of the Reference Obligation or Valuation Obligation, as applicable, whether the Outstanding Principal Balance of the Reference Obligation or Valuation Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof; or
  - (iii) Credit Linked Note Condition 5(b) (*Partial Credit Event Cash Settlement*) or Credit Linked Note Condition 5(c) (*Non-Delivery of Deliverable Obligations*) is applicable, the Calculation Agent shall determine, based on the then current market practice in the market for the relevant Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, whether such Quotations shall include or exclude accrued but unpaid interest.
- (i) Asset Package Delivery
- "**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 Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.
- If the "Sovereign No Asset Package Delivery Supplement" is applicable in respect of a Reference Entity, then, notwithstanding the above, it shall be deemed that no Package Observable Bond exists with respect

to such Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published by ISDA) and accordingly, Asset Package Delivery shall not apply thereto.

**7. Successors**

(a) Provisions for determining a Successor

- (i) Subject as set out in Credit Linked Note Condition 1(c) (*Index Credit Notes*), the Calculation Agent may determine, following any succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) and with effect from the Succession Date, any Successor or Successors under the definition of "Successor"; 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.

The Calculation Agent will make all calculations and determinations required to be made under the definition of "Successor" (or the provisions relating to the determination of a Successor) acting in good faith and in a commercially reasonable manner on the basis of Eligible Information.

In calculating the percentages used to determine whether an entity qualifies as a Successor under the definition of "Successor", 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.

- (ii) 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.
- (iii) In the case of an exchange offer, the determination required pursuant to the definition of "Successor" shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

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- (iv) 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.

(b) Single Reference Entity

Where the Credit Linked Notes are Single Reference Entity Credit Linked Notes and a Succession Date has occurred and more than one Successor has been identified, each such Credit Linked Note will be deemed for all purposes to have been divided, with effect from the Succession Date, into the same number of new Credit Linked Notes as there are Successors with the following terms:

- (i) each Successor will be a Reference Entity for the purposes of one of the deemed new Credit Linked Notes;
- (ii) in respect of each deemed new Credit Linked Note, the Reference Entity Notional Amount will be the Reference Entity Notional Amount applicable to the original Reference Entity divided by the number of Successors; and
- (iii) all other terms and conditions of the original Credit Linked Notes will be replicated in each deemed new Credit Linked Note except that the Calculation Agent shall make such modifications as it determines, acting in good faith and in a commercially reasonable manner, are required in order to preserve the economic effects of the original Credit Linked Notes in the deemed new Credit Linked Notes (considered in aggregate).

(c) Nth-to-Default

Where the Credit Linked Notes are Nth-to-Default Credit Linked Notes:

- (i) where a Succession Date has occurred in respect of a Reference Entity (other than a Reference Entity in respect of which a Credit Event has occurred) and more than one Successor has been identified, each such Credit Linked Note will be deemed for all purposes to have been divided, with effect from the Succession Date, into a number of new Credit Linked Notes equal to the number of Successors. Each such new Credit Linked Note shall include a Successor and each and every one of the unaffected Reference Entities and the provisions of Credit Linked Note Condition 7(b) (i) to (iii) (inclusive) shall apply thereto;



- (ii) if "Substitution" is specified as not being applicable in the Final Terms, where any Reference Entity (the "**Surviving Reference Entity**") (other than a Reference Entity that is subject to the Succession Date) would be a Successor to any other Reference Entity (the "**Legacy Reference Entity**") pursuant to a Succession Date, such Surviving Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity; and
- (iii) if "Substitution" is specified as being applicable in the Final Terms, where the Surviving Reference Entity (other than a Reference Entity that is subject to the Succession Date) would be a Successor to a Legacy Reference Entity pursuant to a Succession Date:
  - (A) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and
  - (B) the Replacement Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity.
- (d) Basket Credit Linked Notes and Tranched Credit Linked Notes

Where the Credit Linked Notes are Basket Credit Linked Notes or Tranched Credit Linked Notes, and one or more Successors have been identified in respect of a Reference Entity that has been the subject of a related Succession Date (the "**Affected Entity**"), then, with effect from the Succession Date:

- (i) the Affected Entity will no longer be a Reference Entity (unless it is a Successor as described in (ii) below);
- (ii) each Successor will be deemed a Reference Entity (in addition to each Reference Entity which is not an Affected Entity);
- (iii) the Reference Entity Notional Amount for each such Successor will equal the Reference Entity Notional Amount of the Affected Entity divided by the number of Successors;
- (iv) the Calculation Agent may make any modifications to the terms of the Credit Linked Notes which it determines, acting in good faith and in a commercially reasonable manner, may be required to preserve the economic effects of the Credit Linked Notes prior to the Succession Date (considered in the aggregate); and
- (v) for the avoidance of doubt, a Reference Entity may, as a result of a Succession Date, be represented by multiple Reference Entity Notional Amounts for the Successor(s) of such Reference Entity.

## 8. Provisions relating to LPN Reference Entities and CoCo Supplement

- (a) LPN Reference Entities

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The following provisions shall apply if the relevant Final Terms provide that "LPN Reference Entity" is applicable:

- (i) Multiple Holder Obligation will not be applicable with respect to any Reference Obligation and any Underlying Loan;
  - (ii) each Reference Obligation will be an Obligation notwithstanding anything to the contrary in these Credit Linked Note Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;
  - (iii) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in these Credit Linked Note Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;
  - (iv) 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;
  - (v) 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; and
  - (vi) "Reference Obligation" shall mean each of the obligations listed as a Reference Obligation of the Reference Entity in the Final Terms or set forth on the relevant LPN Reference Obligations List (each, a "Markit Published LPN Reference Obligation"), as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com/marketing/services.php>, any Additional LPN, determined in accordance with the definition thereof, and each Additional Obligation. Each Reference Obligation determined in accordance with the foregoing will be a Reference Obligation notwithstanding anything to the contrary in these Conditions and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity. Standard Reference Obligation shall be Not Applicable. The provision in the definition of "Original Non-Standard Reference Obligation" shall not apply. If there is more than one Reference Obligation, all applicable references in these Conditions to "the Reference Obligation" shall be construed as a reference to "a Reference Obligation", and all other provisions of these Conditions shall be construed accordingly. The provisions in "Substitute Reference Obligation" and "Substitution Event" shall not be applicable to LPN Reference Obligations.
- (b) Provisions relating to CoCo Supplement

The following provisions shall apply in respect of a Reference Entity if the "CoCo Supplement" is applicable:

- (i) If, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, the operation of one or more CoCo Provisions results in (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, such event shall be deemed to constitute a Governmental Intervention falling within paragraph (a) of the definition thereof.
- (ii) A CoCo Provision shall be deemed to be a provision which permits a Governmental Intervention for all purposes.
- (iii) The following terms shall have the following meanings:

**"Coco Provision"** means, with respect to an Obligation, a provision which requires (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, in each case, if the Capital Ratio is at or below the Trigger Percentage.

**"Trigger Percentage"** means the trigger percentage specified in respect of the Reference Entity (or if no such trigger percentage is specified, 5.25 per cent.).

**"Capital Ratio"** means the ratio of capital to risk weighted assets applicable to the Obligation, as described in the terms thereof in effect from time to time.

## 9. Restructuring Credit Event

### (a) Multiple Credit Event Notices

Upon the occurrence of an M(M)R Restructuring with respect to a Reference Entity:

- (i) the Calculation Agent may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring, each such notice setting forth the amount of the relevant Reference Entity Notional Amount to which such notice applies (the **"Exercise Amount"**) provided that if the Credit Event Notice does not specify an Exercise Amount, the then outstanding Reference Entity Notional Amount (and not a portion thereof) will be deemed to have been specified as the Exercise Amount;
- (ii) the provisions of these Credit Linked Note Conditions (including, without limitation, as to the determination of any Auction Settlement Amount, Auction Settlement Amount (Leveraged), Credit Event Cash Settlement Amount, Credit Event Cash Settlement Amount (Leveraged) and Loss Amount) shall be deemed to apply to an aggregate Outstanding Nominal Amount of Credit Linked Notes equal to the Exercise Amount only and all the provisions shall be construed accordingly; and
- (iii) the Exercise Amount in connection with a Credit Event Notice describing an M(M)R Restructuring must be an amount that is at least 1,000,000 units of the Specified Currency (or, if Japanese Yen, 100,000,000 units) in which the Reference Entity Notional Amount is

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denominated or any integral multiple thereof or the entire relevant Reference Entity Notional Amount.

If any Credit Linked Note is subject to partial redemption in accordance with this Credit Linked Note Condition 9, the relevant Credit Linked Note or, if the Credit Linked Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

(b) Mod R

If (i) "Physical Settlement" or "Cash Settlement" is specified to be the Redemption Method in the related Final Terms (or is applicable as the Fallback Redemption Method), (ii) "Mod R" is specified as applicable in respect of the Reference Entity and (iii) Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation or, as applicable, Valuation Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation or, as applicable, Valuation Obligation may only be specified (or deemed specified) in the Notice of Physical Settlement or in any NOPS Amendment Notice or selected by the Issuer to form part of the related Valuation Obligations Portfolio, as applicable, if such Deliverable Obligation or, as applicable, Valuation Obligation:

(A) is a Fully Transferable Obligation; and

(B) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date,

in each case, as of both the NOPS Effective Date and the Delivery Date or, as applicable, as of the Relevant Valuation Date.

(c) Mod Mod R

If (i) "Physical Settlement" or "Cash Settlement" is specified to be the Redemption Method in the related Final Terms (or is applicable as the Fallback Redemption Method), (ii) "Mod Mod R" is specified as applicable in respect of the Reference Entity and (iii) Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation or, as applicable, Valuation Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation or, as applicable, Valuation Obligation may only be specified (or deemed specified) in the Notice of Physical Settlement or in any NOPS Amendment Notice or selected by the Issuer to form part of the related Valuation Obligations Portfolio, as applicable, if it (A) is a Conditionally Transferable Obligation and (B) 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 or, as applicable, as of the Relevant Valuation Date. Notwithstanding the foregoing, for purposes of this paragraph, 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.

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If the relevant Deliverable Obligation specified in the Notice of Physical Settlement (or in any NOPS Amendment Notice, as applicable) or, as applicable, the relevant Valuation Obligation selected, is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer and the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the Physical Settlement Date or, as applicable, the Relevant Valuation Date (in which case it shall be deemed to have been refused), the Issuer shall, as soon as reasonably practicable, notify the relevant Noteholders of such refusal (or deemed refusal) and:

- (i) each such Noteholder may designate a third party (which may or may not be an Affiliate of such Noteholder) to take Delivery of the Deliverable Obligation on its behalf; and
- (ii) if a Noteholder does not designate a third party that takes Delivery on or prior to the date which is three Credit Linked Note Business Days after the Physical Settlement Date, then the Issuer will redeem the Credit Linked Notes for which Delivery has not occurred, by payment of the relevant Partial Cash Settlement Amount to such Noteholder. For the avoidance of doubt Credit Linked Note Condition 5(b) will not apply to this paragraph.

(d) **General Terms relating to Mod R and Mod Mod R**

For the purposes of making a determination pursuant to "Mod R" and "Mod Mod R", final maturity date shall, subject to Credit Linked Note Condition 9(c) (Mod Mod R), be determined on the basis of the terms of the Deliverable Obligation or, as applicable, Valuation Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation or, as applicable, Valuation Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

(e) **Multiple Holder Obligations**

Notwithstanding anything to the contrary in the definition of "Restructuring" and related provisions, is applicable the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraph (a)(i) to (a)(v) (inclusive) thereof shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation, provided that any obligation that is a Bond shall be deemed to satisfy the requirements of sub-paragraph (b) of the definition of "Multiple Holder Obligation".

### **10. Miscellaneous Provisions relating to Credit Linked Notes**

(a) **Determinations of the 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 in each case in good faith and in a

commercially reasonable manner pursuant to the Credit Linked Note Conditions shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor (if applicable) and the Noteholders. Unless otherwise expressly stated, the Calculation Agent is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. If the Calculation Agent chooses to rely on the determinations of the relevant Credit Derivatives Determinations Committee it may do so without liability. Any such election, modification, determination or adjustment shall not create a significant imbalance between the rights and obligations of the Issuer compared to the Holders, to the detriment of the Holders. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Credit Linked Notes 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 where “Hedging Link Provisions” are specified as applicable in the Final Terms, none of the Calculation Agent, the Issuer or the Guarantor (if applicable) 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.

(b) Reversal of DC Resolutions

If, where a calculation or determination with respect to the Credit Linked Notes has been made by the Calculation Agent in reliance upon a DC Resolution or otherwise resulted from a DC Resolution, ISDA publicly announces that such DC Resolution has been reversed by a subsequent DC Resolution, such reversal will be taken into account for the purposes of any subsequent calculations, provided that the ISDA public announcement occurs prior to the DC Resolution Reversal Cut-off Date (or where redeemed in part, save to the extent of any such redemption). The Calculation Agent, acting in good faith and in a commercially reasonable manner, will make any adjustment to any future payments as are required to take account of such reversal, including any payment of additional interest or any reduction in any interest or any other amount payable under the Credit Linked Notes. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

(c) Change in Standard Terms and Market Conventions

Where “Hedging Link Provisions” are specified as applicable in the Final Terms, the Calculation Agent, acting reasonably, may (but shall not be obligated to) modify these Credit Linked Note Conditions from time to time with effect from a date designated by the Calculation Agent to the extent reasonably necessary to ensure consistency with prevailing market standards or market trading conventions, which are, pursuant to the agreement of leading dealers in the credit derivatives market or any relevant ISDA committee, a market-wide protocol, any applicable law or regulation or the rules of any applicable exchange or clearing system, applicable to any Notional Credit Derivative Transaction or any Hedge Transaction entered into prior to such date or terms thereof. The Calculation Agent shall notify the Issuer and the Noteholders as soon as reasonably practicable upon making any such determination. For the avoidance of doubt, the Calculation Agent may not, without the consent of the Issuer, amend, pursuant

to this Credit Linked Note Condition 10(c) any of the terms and conditions of the Credit Linked Notes other than the Credit Linked Note Conditions.

In particular, the Calculation Agent may make such modifications as may be necessary to ensure consistency with any successor provisions ("**Successor Provisions**") which are published by ISDA and which supersede the 2014 ISDA Credit Derivatives Definitions, for the purposes of credit derivatives transactions generally (including with respect to transactions which are entered into prior to the relevant date of publication and which are outstanding as of that date) and/or may apply and rely on determinations of a Credit Derivatives Determinations Committee made in respect of a relevant Reference Entity under any such Successor Provisions notwithstanding any discrepancy between the terms of such Successor Provisions and these Credit Linked Note Conditions.

This Credit Linked Note Condition 10(c) shall apply unless the related Final Terms specifies that "Change in Standard Terms and Market Conventions" is not applicable.

(d) Delivery of Notices

As soon as reasonably practicable after receiving a Credit Event Notice or Notice of Publicly Available Information from the Calculation Agent, the Issuer shall promptly inform, or shall procure that the Calculation Agent informs the Noteholders in accordance with Base Condition 16 (*Notices*) provided that any failure or delay in giving such notice to Noteholders shall not affect the rights of the Issuer in relation thereto. Resolutions of the Credit Derivatives Determinations Committees are, as of the date hereof, available on the website of the Credit Derivatives Determinations Committees (<https://www.cdsdeterminationscommittees.org>) (or any successor website thereto).

(e) Effectiveness of Notices

Any notice referred to in Credit Linked Note Condition 10(d) above which is delivered on or prior to 5.00 p.m. (London time) on a London Business Day is effective on such date and if delivered after such time or on a day that is not a London Business Day, is deemed effective on the next following London Business Day.

A notice given by telephone by the Issuer or the Calculation Agent will be deemed to have been delivered at the time the telephone conversation takes place.

(f) Excess Amounts

If, on a Business Day, the Calculation Agent reasonably determines that an Excess Amount has been paid to Noteholders on or prior to such day, then following notification of the determination of an Excess Amount to the Issuer and Noteholders in accordance with Base Condition 16 (*Notices*), the Issuer may deduct any such Excess Amount from future payments in relation to the Credit Linked Notes (whether interest or principal) or may reduce the amount of any assets deliverable under the terms of the Credit

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Linked Notes to the extent that it determines, acting reasonably, to be necessary to compensate for such Excess Amount.

(g) Provisions Relating to Timing

Subject to Credit Linked Note Condition 10(e) and Credit Linked Note Condition 12(h), in order to determine the day on which an event occurs for purposes of the Credit Linked Note Conditions, the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Transaction Type of the Reference Entity relates to Japan, 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.

(h) Payment Timing

Notwithstanding the "Credit Event Notice" definition and Credit Linked Note Condition 10(g) (*Provisions Relating to Timing*), 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 Transaction Type of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone of its place of payment.

(i) Business Day Convention

If the last day of any period 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 Business Day Convention; provided that if the last day of any 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 Business Day Convention.

(j) No Frustration

In the absence of other reasons, the Credit Linked Notes will not be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

- (i) the Reference Entity does not exist on, or ceases to exist on or following, the Trade Date; and/or
- (ii) Obligations, Deliverable Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date

(k) Rounding

Any amount payable under these Credit Linked Note Conditions shall be rounded downwards to the nearest sub-unit of the relevant currency.



**11. Definitions**

In these Credit Linked Note Conditions:

"**Accelerated or Matured**" means an obligation under which the nominal 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.

"**Additional Credit Linked Note Disruption Event**" means any of Change in Law, Hedging Disruption, and/or Increased Cost of Hedging, in each case if specified as applying in the Final Terms (provided that Hedging Disruption and Increased Cost of Hedging shall not apply where Hedging Link Provisions are specified as not applicable).

"**Additional LPN**" means any LPN issued by an LPN Issuer for the sole purpose of providing funds for the LPN Issuer to provide financing to the Reference Entity via an:

- (a) Underlying Loan; or
- (b) Underlying Finance Instrument,

provided that:

- (i) either:
  - (I) 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
  - (II) 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 Currencies – 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 holders of the LPNs.

"**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the relevant "LPN Reference Obligation List" as published by Markit Group Limited,

or any successor thereto, which list is currently available at <http://www.markit.com/marketing/services.php>.

"**Additional Provisions**" means any additional provisions from time to time published by ISDA for use in the over-the-counter credit derivatives market and specified as applicable in relation to a Reference Entity which may include:

- (a) the Additional Provisions for Physically Settled Default Swap - Monoline Insurer as Reference Entity, as published by ISDA on 15 September 2014; or
- (b) any other provisions specified in relation to such Reference Entity.

"**Affected Entity**" has the meaning given to such term in Credit Linked Note Condition 7(d) above.

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"**Aggregate Incurred Recovery Amount**" means, in respect of Tranche Credit Linked Notes and any date, an amount (subject to a minimum of zero) equal to:

- (a) the aggregate of any Incurred Recovery Amounts calculated with respect to all Reference Entities up to and including such date; minus
- (b) the sum of all Aggregate Unwind Costs (for the avoidance of doubt, without double counting).

"**Aggregate Loss Amount**" means, in respect of Tranche Credit Linked Notes and any date, the aggregate of all Loss Amounts calculated with respect to all Reference Entities up to and including such date.

"**Aggregate Recovery Amount**" means, in respect of Tranche Credit Linked Notes and any date, the aggregate of all Recovery Amounts calculated with respect to all Reference Entities up to and including such date.

"**Aggregate Unwind Costs**" has the meaning given to such term in the definition of "Credit Unwind Costs".

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

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

"**Asset Package**" means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

"**Asset Package Credit Event**" means:

- (a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in respect of the Reference Entity:
  - (i) a Governmental Intervention; or
  - (ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in respect of the Reference Entity 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 respect of the Reference Entity, 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.

"**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the 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, and if specified as applicable to a Deliverable Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans.

"**Attachment Point**" means, in respect of Tranche Credit Linked Notes, the value specified as such in the Final Terms.

"**Auction**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Cancellation Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Covered Transaction**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Final Price**" has the meaning set forth in the Transaction Auction Settlement Terms or the Parallel Auction Settlement Terms identified by the Issuer in the Auction Settlement Amount Notice.

"**Auction Final Price Determination Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Settlement Amount**" means, in relation to any Reference Entity, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

$$\text{Auction Settlement Amount} = \text{Max} (\text{PPA}, \text{Max} [0, \text{Min} (A, [(A \times B) - C])])$$

where:

"**A**" means the Reference Entity Notional Amount;

"**B**" means the relevant Auction Final Price;

"**C**" means the Credit Unwind Costs (unless the Final Terms specify that Credit Unwind Costs are not applicable and/or that "Hedging Link Provisions" are not applicable, in which event "**C**" means zero); and

"**PPA**" means the Principal Protection Level specified in the Final Terms multiplied by the Reference Entity Notional Amount (and if there is no such level, shall be disregarded).

"**Auction Settlement Amount (Leveraged)**" means, in relation to any Reference Entity, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

$$\text{Auction Settlement Amount} = \text{Max} (0, A - \text{Leverage} \times A \times (1 - B) - C)$$

where:

"**A**" means the Reference Entity Notional Amount;

"**B**" means the relevant Auction Final Price;

"**C**" means the Credit Unwind Costs (unless the Final Terms specify that Credit Unwind Costs are not applicable and/or that "Hedging Link Provisions" are not applicable, in which event "**C**" means zero); and

"**Leverage**" means the leverage factor indicated specified in the Final Terms.

"**Auction Settlement Amount Notice**" means a notice given by the Issuer to the Calculation Agent and the Noteholders in accordance with Base Condition 16 (*Notices*), on or prior to the date which is 65 Business Days following the Final List Publication Date (or, if later, the Movement Option Cut-off Date) specifying:

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- (a) the Transaction Auction Settlement Terms or Parallel Auction Settlement Terms which the Issuer has elected to apply to the Credit Linked Notes (provided that the Issuer may only elect to apply any Parallel Auction Settlement Terms (for purposes of which all Deliverable Obligations (as defined in respect of the Final List) on the Final List will be Permissible Deliverable Obligations) in the circumstances set out in sub-paragraph (b) or (c)(ii) of the definition of "No Auction Announcement Date"); and
- (b) the Auction Settlement Amount or the Auction Settlement Amount (Leveraged), as applicable.

"**Auction Settlement Date**" means the date that is three Business Days following delivery by the Issuer of the Auction Settlement Amount Notice to the Calculation Agent and the Noteholders in accordance with Base Condition 16 (*Notices*).

"**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, 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;
- (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

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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

- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub-paragraphs (a) to (g) (inclusive) above.

**"Basket Credit Linked Notes"** means any Credit Linked Notes specified as such in the applicable Final Terms.

**"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money obligation.

**"Bond or Loan"** means any obligation that is either a Bond or a Loan.

**"Bonus Interest Day Count Fraction"** means the relevant day count fraction specified in the relevant Final Terms, and to be read as though the terms relating to Day Count Fraction apply thereto;

**"Bonus Interest Determination Date"** means the date specified in the Final Terms, or if not specified, the relevant Final Price Calculation Date.

**"Bonus Interest Implicit Portfolio Size"** means the amount specified as such in the Final Terms.

**"Bonus Interest Payment Date(s)"** means the dates specified as such in the Final Terms.

**"Bonus Interest Writedown Rate"** means, in respect of an Event Determination Date relating to a Reference Entity, the Incurred Loss Amount (if any) divided by the initial Nominal Amount (the Incurred Loss Amount for such purpose only, to be determined as though the Attachment Point, Exhaustion Point and Implicit Portfolio Size were respectively references to the Bonus Interest Attachment Point, Bonus Interest Exhaustion Point and Bonus Interest Implicit Portfolio Size and further assuming that for such purpose, references to the definitions of Incurred Loss Amount and, if Incurred Recoveries are specified as applicable in the Final Terms, to Outstanding Nominal Amount is to the initial Nominal Amount multiplied by the Outstanding Bonus Interest Rate).

**"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).

**"Capped Reference Entity"** means, unless otherwise specified in the Final Terms, a Reference Entity having a specified Transaction Type in respect of which "60 Business Day Cap on Settlement" is expressed as applying in the Physical Settlement Matrix.

**"Change in Law"** means that, on or after the Trade Date (as specified in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency, regulatory or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines that:

- (a) it is unable to perform its obligations in respect of the Credit Linked Notes or (where "Hedging Link Provisions" are specified as applicable in the applicable Final Terms) it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Credit Linked Notes; or
- (b) where "Hedging Link Provisions" are specified as applicable in the applicable Final Terms, it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency, regulatory or capital requirements) in maintaining the Credit Linked Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Credit Linked Notes.

**"CoCo Supplement"** means the 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions, as published by ISDA on 15 September 2014.

**"Combination Credit Linked Notes"** means any Credit Linked Note specified as such in the Final Terms.

**"Component Nominal Amount"** means, in relation to Combination Credit Linked Notes and any Credit Component, an amount equal to the product of (i) the related Component Percentage and (ii) the initial aggregate Nominal Amount of Combination Credit Linked Notes.

**"Component Percentage"** means, in relation to Combination Credit Linked Notes and any Credit Component such percentage as may be specified in the 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 or, as applicable, as of the Relevant Valuation 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".

**"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 the Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within the Deliverable Obligation Category that are Loans.

**"Credit Component"** means a set of credit-linkage terms, as specified in the Final Terms.

**"Credit Derivatives Auction Settlement Terms"** means, in relation to any Reference Entity, the Credit Derivatives Auction Settlement Terms published by ISDA, with respect to the relevant Reference Entity, a form of which will be published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as may be amended from time to time.

**"Credit Derivatives Definitions"** means the 2014 ISDA Credit Derivatives Definitions, as published by ISDA, and, in addition, if Additional Provisions are specified to be applicable with respect to the Credit Linked Notes in the Final Terms, as supplemented by the Additional Provisions.

**"Credit Derivatives Determinations Committee"** means each committee established pursuant to the Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions in the over-the-counter market, as more fully described in the Rules.

**"Credit Event"** means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring, Governmental Intervention as specified with respect to a Reference Entity.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar



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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 the date that is 60 calendar days prior to the Trade Date or, if so specified in the Final Terms, the Issue Date or such other date specified in the Final Terms. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**"Credit Event Cash Settlement Amount"** means, in relation to any Reference Entity and unless otherwise specified in the Final Terms, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

$$\text{Credit Event Cash Settlement Amount} = \text{Max} (\text{PPA}, \text{Max} [0, \text{Min} (A, [(A \times B) - C])])$$

where:

**"A"** means the Reference Entity Notional Amount;

**"B"** means the Weighted Average Final Price, or if so specified in the Final Terms, the Final Price or such other price specified therein;

**"C"** means the Credit Unwind Costs (unless the Final Terms specify that Credit Unwind Costs are not applicable and/or that "Hedging Link Provisions" are not applicable, in which event **"C"** means zero); and

**"PPA"** means the Principal Protection Level specified in the Final Terms multiplied by the Reference Entity Notional Amount (and if there is no such level shall be disregarded).

**"Credit Event Cash Settlement Amount (Leveraged)"** means, in relation to any Reference Entity and unless otherwise specified in the Final Terms, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

$$\text{Credit Event Cash Settlement Amount (Leveraged)} = \text{Max} (0, A - \text{Leverage} \times A \times (1 - B) - C)$$

where:

**"A"** means the Reference Entity Notional Amount;

**"B"** means the Final Price or such other price specified in the Final Terms;

**"C"** means the Credit Unwind Costs (unless the Final Terms specify that Credit Unwind Costs are not applicable and/or that "Hedging Link Provisions" are not applicable, in which event **"C"** means zero); and

"**Leverage**" means the leverage factor specified in the Final Terms.

"**Credit Event Cash Settlement Date**" means the date that is the number of Business Days specified in the Final Terms (or, if a number of Business Days is not specified, three Business Days) immediately following the determination of the Weighted Average Final Price (or, if Credit Linked Note Condition 2(b) (*Redemption following Event Determination Date*) is specified not to be applicable in the Final Terms or if the Final Price is specified in the Final Terms, the date falling fifteen Credit Linked Note Business Days following the date of the relevant DC Credit Event Announcement).

"**Credit Event Notice**" means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email and/or by telephone)) to the Issuer that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

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

A Credit Event Notice that describes a Credit Event other than an M(M)R Restructuring must be in respect of the full Reference Entity Notional Amount.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred, provided that where an Event Determination Date has occurred pursuant to sub-paragraph (b) of the definition thereof, a reference to the relevant DC Credit Event Announcement shall suffice. 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 Resolution Request Date**" means, with respect to a DC Credit Event Question, the date as publicly announced by the DC Secretary that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

"**Credit Observation Period End Date**" means the date, if any, specified as such in the Final Terms or, if no such date is specified, the Scheduled Maturity Date.

"**Credit Linked Notes**" means Notes linked to the credit of a specified entity or entities.

"**Credit Linked Note Business Day**" means, in respect of any Reference Entity, (a)(i) 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 with respect to such Reference Entity, and/or (ii) a TARGET Day (if "TARGET" or "TARGET Day" is specified with respect to such Reference Entity), or (b) if a place or places or such terms are not so specified, (i) if the related Reference Entity Notional

Amount is denominated in the euro, a TARGET Day, or (ii) 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 currency of denomination of the related Reference Entity Notional Amount. Business Days referenced in the Physical Settlement Matrix shall be deemed to be Credit Linked Note Business Days.

"**Credit Linked Note Dealer**" means a dealer in obligations of the type of Obligation(s) (as the case may be) for which quotations are to be obtained (as selected by the Calculation Agent) and may include the Calculation Agent or its Affiliate and a Noteholder or its Affiliate or as may otherwise be specified in the Final Terms.

"**Credit Linked Note Maturity Date**" means either:

- (a) the Scheduled Maturity Date; or
- (b) where an Extension Notice in relation to a Reference Entity is delivered by the Calculation Agent to the Issuer at or prior to 11:00 a.m. (London time) on the date falling two London Business Days prior to the Scheduled Maturity Date, the date falling two Business Days after the latest to occur of the expiry of the Notice Delivery Period, the expiry of the Post Dismissal Additional Period or the latest date on which it would be possible for the Calculation Agent or the Issuer to deliver a Credit Event Notice under paragraph (b)(i)(B) or (b)(ii) of the definition of "Event Determination Date".

"**Credit Unwind Costs**" means an amount (such amount prior to any apportionment *pro rata*, the "**Aggregate Unwind Costs**"), subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding and/or the difference, if any, between the initial aggregate Nominal Amount and the aggregate Issue Price of the Credit Linked Notes), tax and duties incurred by the Issuer in connection with:

- (a) where applicable, the redemption, settlement, cancellation and/or termination of the Credit Linked Notes (and/or the reduction in the Outstanding Nominal Amount thereof); and
- (b) the related termination, settlement or re-establishment of any Hedge Transaction,

such amount to be apportioned *pro rata* amongst the outstanding nominal amount outstanding of each Credit Linked Note or as an alternative, in respect of any substitution pursuant to a Reference Entity/Issuer Merger Event only, to be deducted *pro rata* from the interest accrued on each Credit Linked Note.

"**Currency Amount**" means with respect to:

- (a) a Deliverable Obligation specified in a Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, or a selected Valuation Obligation that is denominated in a currency other

than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate; and

- (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to that portion of the relevant Reference Entity Notional Amount 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 NOPS Amendment Notice, as applicable, or a selected Valuation Obligation, 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 NOPS Amendment Notice, the Revised Currency Rate.

**"Currency Rate Source"** means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

**"DC Announcement Coverage Cut-off Date"** means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

**"DC Credit Event Announcement"** means, with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the Credit Observation Period End Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

**"DC Credit Event Meeting Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

**"DC Credit Event Question"** means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

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

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

**"DC Resolution"** has the meaning given to that term in the Rules.

**"DC Resolution Reversal Cut-off Date"** means the earliest to occur of the Auction Final Price Determination Date, a Valuation Date, a Physical Settlement Date, a Delivery Date, the Credit Linked Note Maturity Date or other redemption date of the Credit Linked Notes or the date on which instructions are given by or on behalf of the Issuer for any such redemption or any date, as determined by the Calculation Agent acting in a commercially reasonable manner, of termination, settlement, replacement or re-establishment in whole or in part of any Hedge Transaction (or entry into a binding commitment in respect of any of the foregoing) by or on behalf of the Issuer and/or any of its Affiliates (following the occurrence of an Event Determination Date or in reliance on a prior DC Resolution), as applicable.

**"DC Secretary"** has the meaning given to that term in the Rules.

**"Deemed Interest Reduction"** has the meaning given to such term in Credit Linked Note Condition 4.2(iv).

**"Default Requirement"** means the amount as may be specified as such in the Final Terms or, if a Transaction Type is specified, the amount specified as such in the Physical Settlement Matrix or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, U.S.\$ 10,000,000 or its equivalent in the relevant Obligation Currency), in either case, as of the occurrence of the relevant Credit Event.

**"Deliver"** means:

- (a) 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 Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, to the Issuer or the Noteholders, as the case may be, 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, defence (other than a counterclaim or defence based on the factors set forth in the definition of "Credit Event") 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 Issuer or the Noteholders, as the case may be, 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, (A) "Deliver" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap and (B) those claims shall be deemed to be Deliverable Obligations). "**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, provided further that the Issuer and each Noteholder agrees to comply with the provisions of any documentation (which shall include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the parties hereunder. The Issuer agrees, and each Noteholder is deemed to further agree, that compliance by the Issuer with the provisions of any such documentation shall be required for, and, without further action, constitute, Delivery for the purposes of this definition (to the extent that such documentation contains provisions describing how Delivery should be effected) and neither the Issuer nor any Noteholder shall be permitted to request that any party take nor shall the Issuer or any Noteholder be required to take, any action or make any payment in connection with such Delivery, as applicable, unless otherwise contemplated by such documentation.

- (b) 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 NOPS 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) paragraph

(a) of the definition of "Deliver" and the relevant provisions on delivery 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 or Calculation Agent (on its behalf) has notified the Noteholders of the detailed description of the Asset Package that it intends to Deliver in accordance with the definition of "Notice of Physical Settlement", (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 relevant Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the Method for Determining Deliverable Obligations;
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and
- (d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if "Financial Reference Entity Terms" is specified as applicable in respect of the Reference Entity) or any Package Observable Bond (if the Reference Entity is a Sovereign),

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

For purposes of the "**Method for Determining Deliverable Obligations**", the term "Deliverable Obligation" may be defined as each obligation of the Reference Entity described by the Deliverable Obligation Category specified in respect of the Reference Entity, and, subject to Credit Linked Note Condition 6 (*Provisions relating to Obligation Category and Characteristics and Deliverable Obligation Category and Characteristics*), having each of the Deliverable Obligation Characteristics, if any, specified in respect of the Reference Entity, in each case, as of both the NOPS Effective Date and the Delivery Date (unless otherwise specified).

**"Deliverable Obligation Category"** means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan as specified in relation to a Reference Entity. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more

than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. No Deliverable Obligation Characteristics are applicable to Reference Obligation Only.

**"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, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

**"Deliverable Obligation Provisions"** in relation to any Reference Entity, has the meaning set forth in the Credit Derivatives Auction Settlement Terms.

**"Deliverable Obligation Terms"** in relation to any Reference Entity, has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

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

**"Direct Loan Participation"** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either:

- (a) the Issuer or the Guarantor (as applicable) (in either case, to the extent that the Issuer or the Guarantor (as applicable), is then a lender or member of the relevant lending syndicate), or
- (b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate).

**"Distribution End Date"** means the date specified as such in the Final Terms.

**"Distribution Period Event Determination Date"** means, in respect of Basket Credit Linked Notes and any Reference Entity, the occurrence of an Event Determination Date with respect to such Reference Entity prior to the Distribution End Date.

**"Domestic Currency"** means the currency specified as such in relation to a Reference Entity and any successor currency thereto. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of:

- (a) the relevant Reference Entity, if the Reference Entity is a Sovereign; or



- (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign.

**"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 50 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 Relevant Valuation Date, as applicable.

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

**"Eligible Transferee"** means each of the following:

- (a) any:
- (i) bank or other financial institution;
  - (ii) insurance or reinsurance company;
  - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in sub-paragraph (c)(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 (a) above;
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:

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- (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralized debt obligations, commercial paper conduit or other special purpose vehicle) that (I) has total assets of at least USD 100,000,000 or (II) is one of a group of investment vehicles under common control or management having, in aggregate, total assets of at least USD 100,000,000;
  - (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 paragraphs (a), (b), (c)(ii) or (d) hereof; and
- (d) any:
- (i) Sovereign; or
  - (ii) entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development,

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

**"Event Determination Date"** means, in respect of any Credit Event:

- (a) subject to sub-paragraph (b) below, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (b) save in respect of an M(M)R Restructuring Credit Event and notwithstanding sub-paragraph (a) above, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), either:
  - (i) the Credit Event Resolution Request Date, if either:
    - A. (I) the Credit Event is not an M(M)R Restructuring; and
    - (II) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
    - B. (I) the Credit Event is an M(M)R Restructuring; and

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(II) a Credit Event Notice is delivered by the Calculation Agent to the Issuer on or prior to the Exercise Cut-off Date; or

(ii) the first date on which a Credit Event Notice is delivered by the Calculation Agent to the Issuer during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is 15 Business Days thereafter,

provided that:

(iii) no Physical Settlement Date or Credit Event Cash Settlement Date (as applicable) has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs;

(iv) if any Valuation Date or Delivery Date, as applicable, has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Reference Entity Notional Amount, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and

(v) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer:

A. unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date;

B. unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the then outstanding Reference Entity Notional Amount; or

C. unless the Notional Credit Derivative Transaction is an Auction Covered Transaction and the Deliverable Obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Notional Credit Derivative Transaction.

No Event Determination Date will occur with respect to an event, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, a DC No Credit Event Announcement occurs with respect to the event that, but for such DC No Credit Event Announcement, would have constituted a Credit Event, prior to the DC Resolution Reversal Cut-off Date.

## ANNEX 12 – ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES

Where the Credit Linked Notes are Basket Credit Linked Notes, Tranched Credit Linked Notes or Nth-to-Default Credit Linked Notes and an Event Determination Date occurs with respect to more than one Reference Entity on the same day, the Calculation Agent shall determine the order in which such Event Determination Dates occurred acting in good faith and in a reasonable manner.

**"Excess Amount"** means any amount paid to the Noteholders but which was not due on the Credit Linked Notes, as a result of the occurrence of a DC Credit Event Announcement, Event Determination Date or Credit Event Resolution Request Date on or around the date on which the amount in question would otherwise have been required to be paid or as a result of any Writedown Amount not having been taken into account.

**"Excluded Deliverable Obligation"** means:

- (a) any obligation of the Reference Entity specified as such or of a type described in the related 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 related Final Terms;
- (b) if "Financial Reference Entity Terms" is specified as applicable in respect of the Reference Entity and the Reference Entity is a Senior Transaction, 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 respect of the Reference Entity and the Reference Entity is a Subordinated Transaction, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

**"Exercise Amount"** has the meaning given to it in Credit Linked Note Condition 9(a)(i).

**"Exercise Cut-off Date"** means the date that is the later of:

- (a) 65 Business Days following the Final List Publication Date;
- (b) 15 Credit Linked Note Business Days following the Auction Final Price Determination Date, if any;
- (c) 15 Credit Linked Note Business Days following the Auction Cancellation Date, if any; or

- (d) 15 Credit Linked Note Business Days following the No Auction Announcement Date, if any, or such later date as the relevant Credit Derivatives Determinations Committee Resolves.

"**Exhaustion Point**" means, in respect of Tranched Credit Linked Notes, the value specified as such in the Final Terms.

"**Extended Physical Settlement Date**" means:

- (a) in the case of a Capped Reference Entity, the 60<sup>th</sup> Credit Linked Note Business Day following the Physical Settlement Date, provided that if, under the terms of a Hedge Transaction, the Original Bonds or Original Loans (or Assets which form part of the Asset Package intended to be Delivered in lieu of a Prior Deliverable Obligation or Package Observable Bond (the "**Original Assets**"), or any other Deliverable Obligations in lieu thereof), may not be received by the Issuer and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or any of its Affiliates may, in accordance with the terms of the Hedge Transaction, receive or otherwise obtain such Original Bonds or such Original Loans or other Bonds or Loans in lieu thereof or Original Assets or any other Deliverable Obligations in lieu thereof on or before the date falling three Credit Linked Note Business Days (in a case where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or ten Credit Linked Note Business Days (in a case where Original Loans or other Loans or Bonds in lieu thereof or Original Assets or any other Deliverable Obligations in lieu thereof may be received or otherwise obtained after the Extended Physical Settlement Date) after the Extended Physical Settlement Date, such date may be further extended to a date falling up to three Credit Linked Note Business Days or ten Credit Linked Note Business Days, respectively, after the original Extended Physical Settlement Date, or to such earlier date as the Calculation Agent may determine, acting in good faith and in a commercially reasonable manner; and
- (b) in the case of a Non-Capped Reference Entity, such date as the Calculation Agent may select, provided that such date falls no later than the 120<sup>th</sup> Credit Linked Note Business Day following the Physical Settlement Date or, in the absence of such selection, such 120<sup>th</sup> Credit Linked Note Business Day.

"**Extension Date**" means the latest of:

- (a) the Credit Observation Period End Date;
- (b) the Grace Period Extension Date if:
- (i) "Failure to Pay" and "Grace Period Extension" are specified as applicable in relation to any Reference Entity;

**ANNEX 12 – ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES**

- (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Credit Observation Period End Date; and
  - (iii) an Extension Notice is delivered under sub-paragraph (b) of the definition thereof;
- (c) the Repudiation/Moratorium Evaluation Date (if any) if:
- (i) Repudiation/Moratorium is specified as applicable in relation to any Reference Entity; and
  - (ii) an Extension Notice is delivered under sub-paragraph (c) of the definition thereof.

**"Extension Notice"** means a notice from the Calculation Agent to the Issuer giving notice of the following in relation to a Reference Entity:

- (a) without prejudice to sub-paragraphs (b), (c) or (d) below, that a Credit Event has occurred or may occur on or prior to the Credit Observation Period End Date; or
- (b) that a Potential Failure to Pay has occurred or may occur on or prior to the Credit Observation Period End Date; or
- (c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Credit Observation Period End Date; or
- (d) that a Credit Event Resolution Request Date has occurred or may occur on or prior to the last day of the Notice Delivery Period.

**"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.

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Fallback Redemption Event"** means:

- (a) an Auction Cancellation Date occurs;

- (b) a No Auction Announcement Date occurs (and in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) or (c)(ii) of the definition thereof, the Issuer has not delivered an Auction Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms on or prior to the Movement Option Cut-off Date);
- (c) a DC Credit Event Question Dismissal occurs; or
- (d) an Event Determination Date has occurred pursuant to sub-paragraph (a) of the definition of "Event Determination Date", and no Credit Event Request Resolution Date has occurred within three Business Days of such Event Determination Date.

**"Fallback Redemption Method"** means Cash Settlement or Physical Settlement, as specified in the Final Terms.

**"Final List"** has the meaning given to that term in the Rules.

**"Final List Publication Date"** means, in respect of a Credit Event, the date on which the last Final List in respect of such Credit Event is published by ISDA.

**"Final Price"** means:

- (a) the price specified in the Final Terms as being the Final Price with respect to a Reference Entity; or
- (b) the price of the Reference Obligation or, as applicable, any Valuation Obligation, Deliverable Obligation or Undeliverable Obligation expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount (or, as the case may be, the Outstanding Amount of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event), as applicable, determined in accordance with:
  - (i) the highest Quotation obtained by the Calculation Agent (or otherwise in accordance with the definition of "Quotation") with respect to the Relevant Valuation Date (or, in the case of a relevant Asset other than Borrowed Money and other than a Non-Transferable Instrument or Non-Financial Instrument, such other market value of the relevant Asset as may be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner); or
  - (ii) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the relevant Asset Market Value.

For the avoidance of doubt, if the Asset Package is or is deemed to be zero, the Final Price shall be zero. If the Final Price is specified in the Final Terms, the Final Price shall be the price so specified.

**"Final Price Calculation Date"** means an Auction Final Price Determination Date or, as the case may be, the date on which the Weighted Average Final Price or (as applicable) the Final Price is determined

in respect of a particular Credit Event and the relevant Reference Entity or, in the case of Zero Recovery Credit Linked Notes, the relevant Event Determination Date.

**"Final Settlement Date"** means the 10th Business Day following the latest to occur of the Final Price Calculation Dates in respect of the Reference Entities.

**"First Ranking Interest"** means 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 relevant insolvency jurisdiction of the LPN Issuer).

**"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 bid quotations provided by the Credit Linked Note Dealers, each firm quotation (expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable) obtained from a Credit Linked Note Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, Deliverable Obligation or, as the case may be, Undeliverable Obligations with an Outstanding Principal Balance or Due and Payable Amount, as applicable, 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 or, as applicable, the Relevant Valuation 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 to be a requirement for consent for purposes of this definition of "Fully Transferable Obligation".

**"Further Subordinated Obligation"** means, if the 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 (i) to (iii).



**"Governmental Intervention"** means:

- (a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs 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 (a)(i) to (a)(iii) above.
- (b) For purposes of (a) above, 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), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if "Grace Period Extension" is applicable in relation to the relevant Reference Entity, a Potential Failure to Pay has occurred on or prior to the Credit Observation Period End Date and the applicable grace period cannot, by its terms, expire on or prior to the Credit Observation Period End Date, the

Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the Final Terms or, if no period is specified, 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 applicable in relation to the relevant Reference Entity, such deemed Grace Period shall expire no later than the Credit Observation Period End 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 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 applicable in relation to a Reference Entity; and
- (b) a Potential Failure to Pay occurs on or prior to the Credit Observation Period End Date,

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable in relation to a Reference Entity, Grace Period Extension shall not apply.

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

**"Hedge Disruption Event"** means the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations and/or cash under the terms of a Hedge Transaction.

**"Hedge Transaction"** means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the Credit Linked Notes.

**"Hedging Disruption"** means that the Issuer, the Guarantor, if applicable, and/or any of their respective Affiliates is unable, after using commercially reasonable efforts, or is no longer permitted pursuant to its internal policies in relation to dealings with sanctioned entities or territories to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge its exposure with respect to the Credit Linked Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or

asset(s) or any futures or options contract(s) or any relevant hedge positions relating to the Credit Linked Notes.

**"Implicit Portfolio Size"** means an amount equal to the aggregate Nominal Amount as at the Issue Date divided by the Tranche Size.

**"Increased Cost of Hedging"** means that the Issuer, the Guarantor (if applicable) and/or any of their respective Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Credit Linked Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor, (if applicable) and/or any of their respective Affiliates shall not be deemed an Increased Cost of Hedging.

**"Incurred Loss Amount"** means, with respect to a Reference Entity and a Final Price Calculation Date, an amount calculated on such Final Price Calculation Date equal to the lowest of:

- (a) the Loss Amount;
- (b) the Aggregate Loss Amount (including the related Loss Amount for that Reference Entity and Final Price Calculation Date) minus the Loss Threshold Amount on such Final Price Calculation Date (following any adjustments thereto on such date), subject to a minimum of zero; and
- (c) the aggregate Outstanding Nominal Amount of the Credit Linked Notes (prior to any reduction thereto in respect of that Reference Entity and Final Price Calculation Date).

**"Incurred Recovery Amount"** means, with respect to a Reference Entity and a Final Price Calculation Date, an amount calculated on such Final Price Calculation Date equal to the lowest of:

- (a) the Recovery Amount;
- (b) the Aggregate Recovery Amount (including the related Recovery Amount for that Reference Entity and Final Price Calculation Date) minus the Recovery Threshold Amount on such Final Price Calculation Date (following any adjustments thereto on such date), subject to a minimum of zero; and
- (c) the aggregate Outstanding Nominal Amount of the Credit Linekd Notes (prior to any reduction thereto in respect of that Reference Entity and Final Price Calculation Date).

**"Index Sponsor"** means, in respect of a Relevant Annex, the index sponsor (if any) specified as such in the Final Terms.

**"Interest"** means, for the purposes of the definition of "First Ranking Interest", a charge, security interest or other type of interest having similar effect.

**"Interest Shortfall Amount"** means, in respect of each Credit Linked Note and any Interest Payment Date or the Final Settlement Date, an amount equal to the aggregate of the shortfalls in the interest paid in respect of such Credit Linked Note on any previous Interest Payment Date as a result of a Deemed Interest Reduction as against the interest which would have been payable in respect of such Credit Linked Note on such Interest Payment Date on the basis of the actual Writedown Amount (if any) determined on the related Final Price Calculation Date or, as the case may be, on the basis of a determination by the Calculation Agent that no Event Determination Date has subsequently occurred or could subsequently occur in respect of the relevant Reference Entity.

**"Interest Shortfall Payment Date"** means, in respect of an Interest Shortfall Amount, the first Interest Payment Date to occur after the second Business Day following the related Final Price Calculation Date or the related date of determination by the Calculation Agent that no Event Determination Date has subsequently occurred or could subsequently occur in respect of the relevant Reference Entity, or, if there is no such Interest Payment Date, the Final Settlement Date.

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor thereto).

**"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 realizable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

**"Latest Maturity Restructured Bond or Loan"** means, in respect of a Reference Entity and a Credit Event that is a Restructuring, the Restructured Bond or Loan with the latest final maturity date.

**"Latest Permissible Physical Settlement Date"** means, in respect of a Potential Cash Settlement Event in respect of a Deliverable Obligation comprised of Loans where "Partial Credit Event Cash Settlement of Consent Required Loans", "Partial Credit Event Cash Settlement of Assignable Loans" or "Partial Credit Event Cash Settlement of Participations" is specified as applicable in respect of the relevant Reference Entity, the date that is 15 Credit Linked Note Business Days after the Physical Settlement Date, or, in respect of any other Potential Cash Settlement Event, 30 calendar days following the Physical Settlement Date.

**"Legacy Reference Entity"** has the meaning given to such term in Credit Linked Note Condition 7(c)(ii) above.

**"Limitation Date"** means, in respect of a Credit Event that is a Restructuring, 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.

**"Listed"** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds or, if specified as applicable to a Deliverable Obligation Category, the Listed Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

**"Loan"** means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

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

**"Loss Amount"** means, in respect of Tranche Credit Linked Notes, a Reference Entity and a Final Price Calculation Date, an amount calculated on that Final Price Calculation Date equal to:

- (a) 100 per cent. minus unless the Credit Linked Notes are Zero Recovery Credit Linked Notes, either (i) the Auction Final Price or (ii) if Cash Settlement applies, the Weighted Average Final Price (or, if so specified in the Final Terms, the Final Price or such other price specified therein) for that Reference Entity as of such Final Price Calculation Date; multiplied by
- (b) the Reference Entity Notional Amount for that Reference Entity, as at the relevant Event Determination Date,

subject to a minimum of zero.

**"Loss Threshold Amount"** means, in respect of Tranche Credit Linked Notes, an amount equal to the Implicit Portfolio Size multiplied by the Attachment Point.

**"LPN"** means any bond issued in the form of a loan participation note.

**"LPN Issuer"** means the entity which issued the relevant LPN.

**"LPN Reference Obligation"** means each Reference Obligation other than any Additional Obligation which is issued for the sole purpose of providing funds to the LPN Issuer to finance an Underlying Loan.

## ANNEX 12 – ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES

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 from constituting a Reference Obligation.

"**M**" means in relation to Nth-to-Default Credit Linked Notes where "Multiple Default Triggers" is applicable, such number as may be specified in the Final Terms.

"**Max**" means, whenever followed by a series of amounts inside brackets, whichever is the greater of the amounts separated by a comma inside those brackets.

"**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than:

- (a) the period specified in relation to a Reference Entity; or
- (b) if no such period is so specified, 30 years.

"**Merger Event**" means that at any time during the period from (and including) the Trade Date to (but excluding) the Credit Observation Period End Date, the Issuer

- (a) becomes aware that a Reference Entity has consolidated or amalgamated with, or merged into, or transferred all or substantially all of its assets to, a Holder ("**Reference Entity/Holder Merger**"), or
- (b) itself (or, where the Issuer is not Mediobanca, Mediobanca) consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to a Reference Entity ("**Reference Entity/Issuer Merger**").

"**Merger Event Redemption Date**" means the date specified as such in the Final Terms.

"**Min**" means, whenever followed by a series of amounts inside brackets, whichever is the lesser of the amounts separated by a comma inside those brackets.

"**Minimum Quotation Amount**" means, unless where specified in the Final Terms, the lower of:

- (a) U.S.\$ 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 respect of the Reference Entity.

"**Modified Eligible Transferee**" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**"Modified Restructuring Maturity Limitation Date"** means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Credit Observation Period End Date.

Subject to the foregoing, if the Credit Observation Period End Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Credit Observation Period End Date.

**"Movement Option Cut-off Date"** means the date that is one Relevant City Business Day following the Exercise Cut-off Date (or, if later, such other date as the relevant Credit Derivatives Determinations Committee Resolves) or such earlier date as the Issuer may designate by notice to the Calculation Agent and the Noteholders in accordance with Base Condition 16 (*Notices*).

**"Multiple Holder Obligation"** means an Obligation that:

- (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other; and
- (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event,

provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b) above.

**"N"** or **"Nth"** means, in relation to "Nth-to-Default Credit Linked Notes", such number as may be specified in the Final Terms.

**"Next Currency Fixing Time"** means 4:00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPs Amendment Notice, as applicable, is effective or, as applicable, the date of selection of Valuation Obligations.

**"No Auction Announcement Date"** means, with respect to any Reference Entity and a Credit Event, the date on which the DC Secretary first publicly announces that:

- (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published with respect to credit derivative transactions in the over-the-counter market and the relevant Credit Event and Reference Entity;
- (b) following the occurrence of an M(M)R Restructuring, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held with respect to such Reference Entity and Credit Event following a prior public announcement by the DC Secretary to the contrary, in circumstances where either:

- (i) no Parallel Auction will be held; or
- (ii) one or more Parallel Auctions will be held.

**"Non-Capped Reference Entity"** means a Reference Entity which is not a Capped Reference Entity.

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

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

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

**"NOPS Amendment Notice"** means a notice delivered by the Calculation Agent on behalf of the Issuer (with a copy to the Issuer), to the Noteholders notifying that the Calculation Agent is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such NOPS Amendment Notice is effective).

**"NOPS Effective Date"** means the date on which a Notice of Physical Settlement or NOPS Amendment Notice, as the case may be, is delivered by the Issuer or the Calculation Agent (on its behalf).

**"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 and, if specified as applicable to a Deliverable Obligation Category, the Not Bearer Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

**"Not 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.



**"Not Domestic Issuance"** means any obligation other than an obligation that was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

**"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.

**"Not Sovereign Lender"** means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization 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".

**"Not Subordinated"** means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable.

**"Notice Delivery Date"** means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable, an effective Notice of Publicly Available Information, have been delivered by the Calculation Agent to the Issuer.

**"Notice Delivery Period"** means the period from and including the Trade Date to and including the date 15 Credit Linked Note Business Days (or such other number of days as may be specified in the Final Terms) after the Extension Date (or, if the relevant Credit Event is an M(M)R Restructuring, the later of such date and the Exercise Cut-off Date).

**"Notice of Physical Settlement"** means a notice delivered by the Calculation Agent on behalf of the Issuer (with a copy to the Issuer), to the Noteholders on or prior to the latest of:

- (a) 65 Business Days following the Final List Publication Date;
- (b) subject to sub-paragraph (c) below, 25 Credit Linked Note Business Days after the last to occur of the Auction Cancellation Date, the No Auction Announcement Date, the last Parallel Auction Cancellation Date and the last Parallel Notice of Physical Settlement Date (in each case if any and if applicable); and
- (c) in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) or (c)(ii) of the definition thereof, the Issuer has not delivered an Auction

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Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms to the Calculation Agent by the Movement Option Cut-off Date, 5 Credit Linked Note Business Days following such Movement Option Cut-off Date;

- (d) 30 calendar days following the Event Determination Date; and
- (e) 10 calendar days following the date of the relevant DC Credit Event Announcement or of the relevant DC Credit Event Question Dismissal,

(the "**NOPS Cut-off Date**") that:

- (i) confirms that the Issuer intends to redeem the Credit Linked Notes by Physical Settlement in accordance with Credit Linked Note Condition 5 (*Physical Settlement*); and
- (ii) contains a detailed description of the Deliverable Obligations that the Issuer intends to Deliver (or procure Delivery of) to the Noteholders, including the Outstanding Amount and the aggregate Outstanding Amount of such Deliverable Obligations.

The Notice of Physical Settlement shall specify Deliverable Obligations having an Outstanding Amount (or the equivalent specified Currency Amount converted at the Currency Rate) on the Redemption Valuation Date at least equal to the Reference Entity Notional Amount (or, as applicable, Exercise Amount), subject to any Physical Settlement Adjustment.

The Issuer or the Calculation Agent (on its behalf) may, from time to time, deliver to the Noteholders in the manner specified above a NOPS Amendment Notice. A NOPS Amendment Notice shall contain a revised detailed description of each Replacement Deliverable Obligation and shall also specify the Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such NOPS Amendment Notice).

Notwithstanding the foregoing, (i) the Issuer or the Calculation Agent (on its behalf) may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, by notice to the Issuer (given in the manner specified above) prior to the relevant Delivery Date, and (ii) if Asset Package Delivery is applicable, the Issuer or the Calculation Agent (on its behalf) shall, prior to the Delivery Date, notify the Noteholders of the detailed description of the Asset Package, if any, that it intends to Deliver to the Noteholders in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable, it being understood in each case that such notice shall not constitute a NOPS Amendment Notice.

**"Notice of Publicly Available Information"** means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event described in the Credit Event Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both sub-paragraphs (a) and (b) of the definition of "Repudiation/Moratorium". The notice must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applicable in respect of the Reference Entity and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

**"Notional Credit Derivative Transaction"** means, with respect to any Credit Linked Note and a Reference Entity, a hypothetical market standard credit default swap transaction entered into by the Issuer, as Buyer (defined in the Credit Derivatives Definitions), incorporating the terms of the Credit Derivatives Definitions and under the terms of which:

- (a) the "Trade Date" is the Trade Date, if specified in the Final Terms and if not, the Issue Date;
- (b) the "Scheduled Termination Date" is the Credit Observation Period End Date;
- (c) the "Reference Entit(y)(ies)" thereunder is (are) such Reference Entit(y)(ies);
- (d) the applicable "Transaction Type", if any, is the Transaction Type for the purposes of such Credit Linked Note; and
- (e) the remaining terms as to credit linkage are consistent with the terms of such Credit Linked Note as it relates to such Reference Entity.

**"Nth-to-Default Credit Linked Note"** means any Credit Linked Notes specified as such in the Final Terms.

**"Obligation"** means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the Method for Determining Obligations; and
- (b) the Reference Obligation,

in each case, unless it is an Excluded Obligation.

For purposes of the **"Method for Determining Obligations"**, the term "Obligation" may be defined as each obligation of the Reference Entity described by the Obligation Category specified in respect thereof and having each of the Obligation Characteristics, if any, specified in respect thereof, 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.

**"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 Category"** means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in relation to a Reference Entity.

**"Obligation Characteristic"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in relation to a Reference Entity.

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

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

**"Original Bonds"** means any Bonds comprising part of the relevant Deliverable Obligations.

**"Original Loans"** means any Loans comprising part of the relevant Deliverable 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 relation to the Reference Entity (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 Reference Entity (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) otherwise specified in the Final Terms by reference to this definition, or (b) the Reference Entity is a Reference Obligation Only Trade.

**"Outstanding Amount"** means the Outstanding Principal Balance or Due and Payable Amount, as applicable.

**"Outstanding Bonus Interest Rate"** means the rate equal to either:

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- (a) if "Final Rate" is specified as applicable, the Bonus Interest Rate (as specified in the applicable Final Terms) less the aggregate of all Bonus Interest Writedown Rates determined on or prior to the Bonus Interest Determination Date; or
- (b) if "Averaging Rate" is specified as applicable, the Bonus Interest Rate (as specified in the applicable Final Terms) less the arithmetic average of the Bonus Interest Writedown Rates determined for each day during the period commencing as the previous Bonus Interest Payment Date (or if none, the Issue Date) and concluding on the Bonus Interest Determination Date,

subject to a minimum of zero.

**"Outstanding Nominal Amount"** means, in respect of any Credit Linked Note, such Credit Linked Note's *pro rata* share of the initial Aggregate Nominal Amount less such Credit Linked Note's *pro rata* share of all Reference Entity Notional Amounts of Reference Entities in respect of which an Event Determination Date has occurred (excluding where Credit Linked Note Condition 2(h)(b) (*Redemption at Maturity*) applies) (or, in the case of a Tranching Credit Linked Note, such Credit Linked Note's *pro rata* share of the initial Aggregate Nominal Amount less such Credit Linked Note's *pro rata* share of all Writedown Amounts determined on or prior to the relevant date of determination) subject, in each case, to a minimum of zero and as adjusted by the Calculation Agent to take account of any repurchase or cancellation of Credit Linked Notes, the issuance of any further Credit Linked Notes and any redemption of Credit Linked Notes pursuant to Credit Linked Note Condition 2(h)(a) (*Distribution Period Redemption*).

The **"Outstanding Principal Balance"** 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 Credit Linked Note Condition 6(h) (*Accrued Interest*), 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) 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 Relevant 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 the definition of Deliverable Obligation set out in paragraph (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.

**"Parallel Auction"** means "Auction" as defined in any relevant Parallel Auction Settlement Terms.

**"Parallel Auction Cancellation Date"** means "Auction Cancellation Date" as defined in any relevant Parallel Auction Settlement Terms.

**"Parallel Auction Final Price Determination Date"** means the "Auction Final Price Determination Date" as defined in any relevant Parallel Auction Settlement Terms.

**"Parallel Auction Settlement Terms"** means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which the Deliverable Obligation Terms are the same as the Deliverable Obligation Provisions which would be applicable to the Notional Credit Derivative Transaction and for which the Notional Credit Derivative Transaction would not be an Auction Covered Transaction.

**"Parallel Notice of Physical Settlement Date"** means "Notice of Physical Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

**"Partial Credit Event Cash Settlement Amount"** means where the applicable Settlement Method is Physical Settlement, an amount determined by the Calculation Agent equal to the aggregate, for each Undeliverable Obligation, of:

- (a) the Final Price of such Undeliverable Obligations multiplied by;
- (b) the relevant Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of such Undeliverable Obligation specified in the relevant Notice of Physical Settlement or NOPS Amendment Notice, as applicable.

**"Partial Credit Event Cash Settlement Date"** means the date falling three Credit Linked Note Business Days (unless otherwise specified in relation to a Reference Entity) after the calculation of the Final Price.

**"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

**"Payment Requirement"** means the amount specified as such in the Final Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified in the Final Terms, U.S.\$ 1,000,000 or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency), in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**"Permissible Deliverable Obligations"** has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

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

- (a) as a result of the application of:
  - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
  - (ii) provisions implementing the Subordination of the obligation;
  - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
  - (iv) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in respect of the Reference Entity; 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 respect of the Reference Entity; 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 Adjustment"** means a reduction to the Outstanding Amount of Deliverable Obligations specified in a Notice of Physical Settlement or NOPS Amendment Notice, by an amount of Deliverable Obligations having a liquidation value equal to the Credit Unwind Costs (only if positive) rounded upwards to the nearest whole denomination of a Deliverable Obligation, such amount to be determined by the Calculation Agent. For the avoidance of doubt, if the Final Terms specify that Credit Unwind Costs are not applicable, the Physical Settlement Adjustment shall be zero.

**"Physical Settlement Adjustment Rounding Amount"** means an amount (if any) equal to the difference between the absolute value of the Physical Settlement Adjustment and the liquidation value of such whole number of Deliverable Obligations as are not required to be Delivered by the Issuer by way of compensation for any Credit Unwind Costs.

**"Physical Settlement Date"** means the last day of the longest Physical Settlement Period following the NOPS Cut-off Date as specified in relation to a Reference Entity as the Calculation Agent may designate.

**"Physical Settlement Matrix"** means the Credit Derivatives Physical Settlement Matrix Supplement to the Credit Derivatives Definitions, as most recently amended or supplemented as at the Trade Date (unless otherwise specified in relation to a Reference Entity) and as published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto), provided that any reference therein to:

- (a) "Confirmation" shall be deemed to be a reference to the Final Terms;
- (b) "Floating Rate Payer Calculation Amount" shall be deemed to be a reference to the Specified Currency;
- (c) "Section 1.32" shall be deemed to be a reference to "Credit Event Notice" as defined in this Annex 12;
- (d) "Section 1.33" shall be deemed to be a reference to Credit Linked Note Condition 9(a); and
- (e) "Section 8.19" shall be deemed to be a reference to "Physical Settlement Period" as defined in this Annex 12.

**"Physical Settlement Period"** means, subject to Credit Linked Note Condition 2(e), the number of Credit Linked Note Business Days specified as such in relation to a Reference Entity or, if a number of Credit Linked Note Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, the longest number of Credit Linked Note Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent, provided that if the Issuer or Calculation Agent (on its behalf) intends to Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be thirty Business Days.



**"Post Dismissal Additional Period"** means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is 15 Business Days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date or, as applicable, the Issue Date)).

**"Potential Cash Settlement Event"** means an event beyond the control of the Issuer (including, without limitation, failure of the relevant clearance system; or the failure to obtain any requisite consent with respect to the Delivery of Loans or the non-receipt of any such requisite consents or any relevant participation (in the case of Direct Loan Participation) is not effected; or due to any law, regulation or court order, but excluding market conditions, or any contractual, statutory and/or regulatory restriction relating to the relevant Deliverable Obligation, or due to the failure of the Noteholder to give the Issuer details of accounts for settlement; or a failure of the Noteholder to open or procure the opening of such accounts or if the Noteholders are unable to accept Delivery of the portfolio of Deliverable Obligations for any other reason).

**"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), 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 the definition of Deliverable Obligation set out in paragraph (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), such Reference Obligation, if any.

**"Prior Reference Obligation"** means, in circumstances where there is no Reference Obligation applicable to a Reference Entity, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the related 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.

**"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.

**"Public Source"** means each source of Publicly Available Information specified as such in the related Final Terms (or, if no such source is 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 organized and any other internationally recognized published or electronically displayed news sources).

**"Publicly Available Information"** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event described in a Credit Event 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);
- (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 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.

In relation to any information of the type described in (ii) or (iii) above, the Calculation Agent, the Issuer and/or any other party receiving such information may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered

into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Without limitation, Publicly Available Information need not state (i) in relation to the "Downstream Affiliate" definition, 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.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both sub-paragraphs (a) and (b) of the definition of "Repudiation/Moratorium".

**"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:

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- A. provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in respect of the Reference Entity; or
- B. any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in respect of the Reference Entity.

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:

- (a) the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- (b) 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 relation to a Reference Entity. 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, in respect of any Reference Obligation, Deliverable Obligation, Valuation Obligation or Undeliverable Obligation, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

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

Credit Linked Note Business Day following the applicable Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Credit Linked Note 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 Credit Linked Note Business Day on or prior to the tenth Credit Linked Note Business Day following the applicable Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Credit Linked Note Dealer at the Valuation Time on such tenth Credit Linked Note Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Credit Linked Note Dealers at the Valuation Time on such tenth Credit Linked Note Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation shall be deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**"Quotation Amount"** means:

- (a) with respect to a Reference Obligation, the amount specified in relation to a Reference Entity (which may be specified by reference to an amount in a currency or by reference to the Representative Amount) or, if no amount is so specified, the Reference Entity Notional Amount (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);
- (b) with respect to each type or issue of Deliverable Obligation to be Delivered on or prior to the Physical Settlement Date, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Deliverable Obligation; and
- (c) with respect to each type or issue of Undeliverable Obligation, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Undeliverable Obligation.

**"Recovery Amount"** means, in respect of Tranche Credit Linked Notes, a Reference Entity and a Final Price Calculation Date, an amount calculated on that Final Price Calculation Date equal to:

- (a) the lesser of 100 per cent. and either (i) the Auction Final Price or (ii) if Cash Settlement applies, the Weighted Average Final Price (or, if so specified in the Final Terms, the Final Price or such other price specified therein) for that Reference Entity as of such Final Price Calculation Date (or, in the case of Zero Recovery Credit Linked Notes, zero); multiplied by
- (b) the Reference Entity Notional Amount for that Reference Entity, as at the relevant Event Determination Date,

subject to a minimum of zero.

**"Recovery Threshold Amount"** means, in respect of Tranched Credit Linked Notes, an amount equal to (a) the Implicit Portfolio Size multiplied by (b) 100 per cent. minus the Exhaustion Point.

**"Redemption Preliminary Amount"** means, in respect of any Tranched Credit Linked Note and any relevant date, an amount (subject to a minimum of zero) equal to:

- (a) the Outstanding Nominal Amount of such Credit Linked Note (for the avoidance of doubt as reduced at or prior to such time); minus
- (b) its pro rata share of the Unsettled Retention Amount.

**"Redemption Residual Amount"** means, in respect of any Tranched Credit Linked Note and any relevant date, its remaining Outstanding Nominal Amount of the Credit Linked Notes (after deduction of the aggregate Redemption Preliminary Amounts and for the avoidance of doubt, as otherwise reduced at or prior to such time).

**"Reference Entity"** or **"Reference Entities"** means the reference entity or reference entities specified in the Final Terms or, where applicable, identified in a Relevant Annex, and any Successor to a Reference Entity either:

- (a) identified by the Calculation Agent in accordance with the definition of "Successor" on or following the Trade Date or, where applicable, identified by an Index Sponsor; 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 Credit Linked Notes, as the terms of which may be modified pursuant to Credit Linked Note Condition 7 (*Successors*).

**"Reference Entity Notional Amount"** means in respect of any Reference Entity, the amount in which the Issuer has purchased credit protection in respect of such Reference Entity, as set out in the Final Terms or if no such amount is specified:

- (a) in the case of Single Reference Entity Credit Linked Notes or Nth-to-Default Credit Linked Notes where "Multiple Default Triggers" is not applicable, the initial aggregate Nominal Amount of the Credit Linked Notes;
- (b) in the case of Nth-to-Default Credit Linked Notes where "Multiple Default Triggers" is applicable, an amount equal to (i) the initial aggregate Nominal Amount of the Credit Linked Notes, divided by (ii)  $(M+1-N)$ ;

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- (c) in the case of Basket Credit Linked Notes, if a Reference Entity Weighting is specified or applies in respect of such Reference Entity, (i) the product of such Reference Entity Weighting for the relevant Reference Entity and the initial aggregate Nominal Amount of the Credit Linked Notes, divided by (ii) the sum of all Reference Entity Weightings, or, if no Reference Entity Weightings are specified for the Reference Entities (i) the initial aggregate Nominal Amount of the Credit Linked Notes, divided by (ii) the number of Reference Entities; and
- (d) in the case of Tranche Credit Linked Notes, if a Reference Entity Weighting is specified or applies in respect of such Reference Entity, (i) the product of the Implicit Portfolio Size and the Reference Entity Weighting for the relevant Reference Entity, divided by (ii) the sum of all Reference Entity Weightings or, if no Reference Entity Weightings are specified for the Reference Entities, (i) the Implicit Portfolio Size, divided by (ii) the number of Reference Entities,

subject in each case to Credit Linked Note Condition 2 (*Redemption*), Credit Linked Note Condition 7 (*Successors*) and Credit Linked Note Condition 9 (*Restructuring Credit Event*) and as adjusted by the Calculation Agent to take account of any repurchase or cancellation of Credit Linked Notes or the issuance of any further Credit Linked Notes.

**"Reference Entity Weighting"** means, in respect of a Reference Entity, the weighting as specified in the Final Terms for such Reference Entity.

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

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

If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation.

**"Reference Obligation Only"** means any obligation that is a Reference Obligation and no Obligation Characteristics (for purposes of determining Obligations) or, as the case may be, no Deliverable Obligation Characteristics (for purposes of determining Deliverable Obligations) shall be applicable where Reference Obligation Only applies.

**"Reference Obligation Only Trade"** means a Reference Entity in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and the Deliverable Obligation Category and (b) "Standard Reference Obligation" is specified as not applicable. If the event set out in paragraph (i) of the definition of "Substitution Event" occurs with respect to the Reference Obligation in a Reference Obligation Only Trade, the Issuer shall redeem or cancel, as applicable, all but not some only of the Credit Linked Notes on a date as specified by notice to the Noteholders in accordance with Base Condition 16 (*Notices*) on or after the Substitution Event Date, and at an amount (which may be zero) in respect of each Credit Linked Note equal to the fair market value of such Credit Linked Note taking into account the relevant Substitution Event, less (where "Hedging Link Provisions" is specified as applicable in the Final Terms) the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

Notwithstanding the definition of "Substitute Reference Obligation", (i) no Substitute Reference Obligation shall be determined in respect of a Reference Obligation Only Trade and (ii) if the events set out in paragraphs (ii) or (iii) of the definition of "Substitution Event" occur with respect to the Reference Obligation in a Reference Obligation Only Trade, such Reference Obligation shall continue to be the Reference Obligation.

**"Relevant Annex"** means an annex setting out the Reference Entities for the purposes of the Credit Linked Notes, being the annex specified as such in the Final Terms.

**"Relevant City Business Day"** has the meaning given to that term in the Rules in respect of the relevant Reference Entity.

**"Relevant Guarantee"** means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in respect of the Reference Entity, 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 NOPS 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 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 respect of the Reference Entity and "Senior Transaction" is applicable in respect of the Reference Entity, the related 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 respect of the Reference Entity, and "Subordinated Transaction" is applicable in respect of the Reference Entity, the related 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 have the same meaning as it would if the "Senior Transaction" were applicable in respect of the Reference Entity.

**"Relevant Valuation Date"** means the Redemption Valuation Date or Valuation Date, as the case may be.

**"Replaced Deliverable Obligation Outstanding Amount"** means the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced.

**"Replacement Deliverable Obligation"** means each replacement Deliverable Obligation that the Issuer intends to, subject to Credit Linked Note Condition 5 (*Physical Settlement*), Deliver to the Noteholders in lieu of each original Deliverable Obligation which has not been Delivered as at the date of such NOPS Amendment Notice.

**"Replacement Reference Entity"** means any entity selected by the Calculation Agent acting in a commercially reasonable manner, which is incorporated in the same geographical area, has the same Transaction Type as the Legacy Reference Entity and which is of a similar or better credit quality than the Legacy Reference Entity, as measured by Standard & Poor's Ratings Services and/or by Moody's Investors Service Ltd., at the date of the relevant Succession Date provided that in selecting any

Replacement Reference Entity, the Calculation Agent is under no obligation to the Noteholders, the Issuer or any other person and, provided that the Successor selected meets the criteria specified above, is entitled, and indeed will endeavour, to select the least credit-worthy of the Successors. In making any selection, the Calculation Agent will not be liable to account to the Noteholders, the Issuer or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

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

**"Repudiation/Moratorium Evaluation Date"** means, if a Potential Repudiation/Moratorium occurs on or prior to the Credit Observation Period End 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 60 days after the date of such Potential Repudiation/Moratorium; and
  - (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date); and
- (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium.

**"Resolve"** has the meaning given to that term in the Rules, and **"Resolved"** and **"Resolves"** shall be interpreted accordingly.

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

**"Restructuring"** means:

- (a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of 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 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 redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium;
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - (v) any change in the currency 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).
- (b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:
  - (i) 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;
  - (ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such

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Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

- (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(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
  - (iv) the occurrence of, agreement to or announcement of any of the events described in (a)(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 (a)(v) 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.
- (c) For the purposes of (a) and (b) above and Credit Linked Note Condition 9(e), 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 (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) above shall continue to refer to the Reference Entity.
- (d) If an exchange has occurred, the determination as to whether one of the events described under (a)(i) to (v) 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, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**"Restructuring Maturity Limitation Date"** means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Credit Observation Period End Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Credit Observation Period End Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

**"Revised Currency Rate"** means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either:

- (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time; or
- (b) if such rate is not available at such time, as the Calculation Agent shall determine in a commercially reasonable manner.

**"Rules"** means the Credit Derivatives Determinations Committees Rules, as published on the websites of the Credit Derivatives Determinations Committees at <https://www.cdsdeterminationscommittees.org> (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

**"Scheduled Maturity Date"** means the date specified as such in the applicable Final Terms which shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the applicable Final Terms.

**"Senior Obligation"** means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity.

**"Senior Transaction"** means a Reference Entity for which (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.

**"Seniority Level"** means, with respect to an obligation of the Reference Entity, (a) "Senior Level" or "Subordinated Level" as specified in respect of the Reference Entity, or (b) if no such seniority level is specified in respect of the Reference Entity, "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".

**"Settlement Currency"** means the currency specified as such in the Final Terms, or if no currency is so specified in the Final Terms, the Specified Currency.

**"Redemption Method"** means the redemption method specified as such in the Final Terms and if no Redemption Method is specified in the Final Terms, Auction Redemption.

**"Redemption Valuation Date"** means the date being three Credit Linked Note Business Days prior to the Delivery Date provided that if a Notice of Physical Settlement or NOPS Amendment Notice, as applicable, is given or, as the case may be, changed at any time after the third Credit Linked Note Business Day prior to the Physical Settlement Date, the Redemption Valuation Date shall be the date

which is three Credit Linked Note Business Days after such Notice of Physical Settlement or NOPS Amendment Notice, as applicable, is given.

**"Similar Reference Entity"** means an entity with an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available to the relevant Reference Entity), and as secondary criteria geographic and Transaction Type proximity to such Reference Entity.

For the purposes of this definition, **"Rating"** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Service Europe Limited and Fitch Ratings or any of them, it being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

**"Single Reference Entity Credit Linked Note"** means any Credit Linked Note specified as such in the Final Terms.

**"Solvency Capital Provisions"** means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

**"Sovereign"** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

**"Sovereign No Asset Package Delivery Supplement"** means the 2014 Sovereign No Asset Package Delivery Supplement to the 2014 ISDA Credit Derivatives Definitions, as published by ISDA on 15 September 2014.

**"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 has occurred and (b) which fell within the definition of a Deliverable Obligation set out in paragraph (a) of the definition of "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 Currency"** means an obligation that is payable in the currency or currencies specified as such in respect of the Reference Entity (or, if "Specified Currency" is specified in respect of the Reference Entity 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.

"**Specified Number**" means the number of Public Sources specified in respect of the Reference Entity (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.

"**Standard Specified Currencies**" means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

"**Steps Plan**" means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

"**Subordinated Obligation**" means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed.

"**Subordinated Transaction**" means a Reference Entity for which the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation.

"**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, reorganization or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation, or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. "**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the

Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date.

"**Substitute Reference Obligation**" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (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 paragraphs (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:



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- (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), the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Credit Linked Notes, as determined by the Calculation Agent. The Substitute Reference Obligation determined by the Calculation Agent shall, without further action, replace the Non-Standard Reference Obligation.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b), the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

**"Substitute Reference Obligation Resolution Request Date"** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve a Substitute Reference Obligation to the Non-Standard Reference Obligation, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**"Substitution Date"** means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent identifies the Substitute Reference Obligation 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 paragraphs (i) or (ii) of the definition of "Substitution Event" has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to such 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.

**"succeed"** for the purposes of the provisions relating to the determination of a Successor and the definitions of "Successor" and "Sovereign Succession Event", means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the **"Exchange Bonds or Loans"**) that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of the provisions relating to the determination of a Successor and the definitions of "Successor" and "Sovereign Succession Event", **"succeeded"** and **"succession"** shall be construed accordingly.

**"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 the definition of "Successor" would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of an Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

**"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 Calculation Agent determines a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) has occurred and (ii) the Successor Resolution Request Date, 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 Calculation Agent determines, not more than fifteen Credit Linked Note Business 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, a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) has occurred. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**"Successor"** means, subject to Credit Linked Note Condition 7(a)(ii), the entity or entities, if any, determined as follows:

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- (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 in respect of the relevant Reference Entity;
- (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 in respect of the relevant Reference Entity;
- (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;
- (iv) if one or more entities 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;
- (v) if one or more entities succeed, 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;
- (vi) if one or more entities succeed, 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
- (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 for the relevant Reference Entity.

"**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.

"**Surviving Reference Entity**" has the meaning given to such term in Credit Linked Note Condition 7(c)(ii) above.

"**TARGET Day**" means any day on which T2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open.

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

"**Tranche Size**" means, in respect of Tranched Credit Linked Notes, the Exhaustion Point minus the Attachment Point.

"**Tranched Credit Linked Notes**" means Credit Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of a tranched basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Transaction Auction Settlement Terms**" means, in respect of any Reference Entity and a related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA in respect of such Credit Event and in respect of which the Notional Credit Derivative Transaction would be an Auction Covered Transaction.

"**Transaction Type**" means, unless otherwise specified in the Final Terms, each "Transaction Type" specified as such in the Physical Settlement Matrix from time to time.

"**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.

**"Undeliverable Obligation"** means a Deliverable Obligation included in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable, which, on the Maturity Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure by the Noteholder to deliver a Physical Delivery Confirmation Notice, 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 Maturity Date, as a result of an event described in Credit Linked Note Condition 5(b).

**"Underlying Finance Instrument"** means where the LPN Issuer provides finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument.

**"Underlying Loan"** means where the LPN Issuer provides a loan to the Reference Entity.

**"Underlying Obligation"** means, with respect to a guarantee, the obligation which is the subject of the guarantee.

**"Underlying Obligor"** means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

**"Unsettled Credit Event"** means any Event Determination Date in respect of a Reference Entity for which the related Final Price Calculation Date has not occurred.

**"Unsettled Retention Amount"** means, in respect of Tranche Credit Linked Notes in respect of which one or more Unsettled Credit Events has occurred, the sum of the maximum aggregate Incurred Loss Amounts and maximum aggregate Incurred Recovery Amounts which could be determined (assuming an Auction Final Price, Weighted Average Final Price or Final Price of zero in respect of each Unsettled Credit Event).

**"Unwind Value of the Reference CDS"** means an amount, determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, that the Calculation Agent would have to pay to a counterparty (a positive amount) or receive from a counterparty (a negative amount) to terminate a credit default swap having market standard terms for such Reference Entity, and having a notional amount equal to the relevant Reference Entity Notional Amount.

**"Valuation Date"** means:

- (a) any Credit Linked Note Business Day falling between the 55<sup>th</sup> and the 122<sup>nd</sup> Credit Linked Note Business Day following the Event Determination Date (or, if the Event Determination Date occurs pursuant to sub-paragraph (b) above of the definition of "Event Determination Date", the day on which the DC Credit Event Announcement occurs, if later), or, following any Auction Cancellation Date or No Auction Announcement Date, such later Credit Linked Note Business Day, (in each case, as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner); or

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- (b) if "Cash Settlement" is applicable as a Fallback Settlement Method, any Credit Linked Note Business Day falling between the 55<sup>th</sup> and the 122<sup>nd</sup> Credit Linked Note Business Day following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later Credit Linked Note Business Day, (in each case, as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner); or
- (c) if Partial Credit Event Cash Settlement applies, the date which is up to fifteen Credit Linked Note Business Days after the Latest Permissible Physical Settlement Date or, as applicable the Extended Physical Settlement Date (as selected by the Calculation Agent acting in good faith and in a commercially reasonable manner).

**"Valuation Obligation"** means, in respect of a Reference Entity, notwithstanding anything to the contrary in the Credit Linked Note Conditions, one or more obligations of such Reference Entity (either directly or as provider of a Relevant Guarantee) which is capable of being specified in a Notice of Physical Settlement (or in any NOPS Amendment Notice, as applicable) if Physical Settlement were the applicable Redemption Method and/or any Asset in the related Asset Package in respect of a Prior Deliverable Obligation or Package Observable Bond, in each case, as selected by the Issuer in its sole and absolute discretion on or prior to the applicable Valuation Date, provided that, for such purpose:

- (a) any reference to "Delivery Date" or "NOPS Effective Date" in the definitions of "Conditionally Transferable Obligation", "Deliverable Obligation", within any of the terms comprising "Deliverable Obligation Category" or "Deliverable Obligation Characteristic" and "Due and Payable Amount" shall be deemed to be a reference to the words "Relevant Valuation Date"; and
- (b) in respect of any Asset in the related Asset Package in respect of a Prior Deliverable Obligation or Package Observable Bond, any reference to "Outstanding Principal Balance", "Due and Payable Amount" or "Outstanding Amount" in the definitions of "Final Price", "Full Quotation", "Quotation", "Quotation Amount" and "Weighted Average Quotation" shall be deemed to be a reference to the words "Outstanding Amount of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event".

For the avoidance of doubt, the use of Deliverable Obligation terms in the definition of "Valuation Obligation" is for convenience only and is not intended to amend the selected redemption method.

**"Valuation Obligations Portfolio"** means one or more Valuation Obligations of a Reference Entity selected by the Calculation Agent in its discretion, each in an Outstanding Amount (or, as the case may be, an Outstanding Amount of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event) selected by the Calculation Agent acting in good faith and in a commercially reasonable manner (and references to "Quotation Amount" shall be construed accordingly), provided that the aggregate of such Outstanding Amounts (or in each case the equivalent in the Specified Currency thereof (converted at the foreign exchange rate prevailing on any date from (and including) the Event Determination Date to (and including) the Valuation Date, as selected by the

Calculation Agent acting in good faith and in a commercially reasonable manner)), shall not exceed the relevant Reference Entity Notional Amount.

**"Valuation Time"** means the time specified in relation to a Reference Entity or, if no such time is specified, 11:00 a.m. in the principal trading market for the relevant Valuation Obligation or Undeliverable Obligation, as the case may be.

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

**"Weighted Average Final Price"** means the weighted average of the Final Prices determined for each selected Valuation Obligation in the Valuation Obligations Portfolio, weighted by the outstanding amount of each such Valuation Obligation (or its equivalent in the Settlement Currency converted by the Calculation Agent, acting in good faith and in a commercially reasonable manner by reference to exchange rates in effect at the time of such determination).

**"Weighted Average Quotation"** means, in accordance with the bid quotations provided by the Credit Linked Note Dealers, the weighted average of firm quotations obtained from the Credit Linked Note Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation, Deliverable Obligation or Undeliverable Obligation, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable (or its equivalent in the relevant currency converted by the Calculation Agent, acting in good faith and in a commercially reasonable manner by reference to exchange rates in effect at the time of such determination), of as large a size as available but less than the Quotation Amount (in the case of Deliverable Obligations only, but of a size at least equal to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

**"Writedown Amount"** means, in respect of an Event Determination Date relating to a Reference Entity, the aggregate of the Incurred Loss Amounts (if any) and, if "Incurred Recoveries" is specified as applicable in the Final Terms, Incurred Recovery Amounts (if any) for the related Final Price Calculation Date and any related Aggregate Unwind Costs.

## 12. 2019 Narrowly Tailored Credit Event Provisions

The following are the "NTCE Provisions", which shall (i) not apply in respect of a Reference Entity if such Reference Entity is a Sovereign, or (b) apply in respect of a Reference Entity if such Reference Entity is not a Sovereign, in each case unless otherwise specified in the Final Terms (and reference in any applicable Transaction Type to "2019 NTCE Supplement to the 2014 ISDA Credit Derivatives Definitions (July 2019)" shall for clarification, be to these provisions).

- (a) Outstanding Principal Balance



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The definition of "Outstanding Principal Balance" in Credit Linked Note Condition 11 shall be deleted and replaced with the following:

"The "**Outstanding Principal Balance**" 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 Credit Linked Note Condition 6(h) (*Accrued Interest*), 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) 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:

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 Relevant Valuation Date; and

with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

For the purposes of paragraph (B) above, "applicable laws" shall include any bankruptcy or insolvency law or other law affecting creditors' rights to which the relevant obligation is, or may become, subject.

Unless "Fallback Discounting" is specified as not applicable in the applicable Final Terms with respect to the relevant Reference Entity, then notwithstanding the above, if (i) the Outstanding Principal Balance of an obligation is not reduced or discounted under paragraph (B) above, (ii) that obligation is either a Bond that has an issue price less than ninety-five per cent. of the principal redemption amount or a Loan where the amount advanced is less than ninety-five per cent. of the principal repayment amount, and (iii) such Bond or Loan does not include provisions relating to the accretion over time of the amount which would be payable on an early redemption or repayment of such Bond or Loan that are customary for the applicable type of Bond or Loan

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as the case may be, then the Outstanding Principal Balance of such Bond or Loan shall be the lesser of (a) the Non-Contingent Amount; and (b) an amount determined by straight line interpolation between the issue price of the Bond or the amount advanced under the Loan and the principal redemption amount or principal repayment amount, as applicable.

For the purposes of determining whether the issue price of a Bond or the amount advanced under a Loan is less than ninety-five per cent. of the principal redemption amount or principal repayment amount (as applicable) or, where applicable, for applying straight line interpolation:

- (x) where such Bond or Loan was issued as a result of an exchange offer, the issue price or amount advanced of the new Bond or Loan resulting from the exchange shall be deemed to be equal to the aggregate Outstanding Principal Balance of the original obligation(s) that were tendered or exchanged (the "**Original Obligation(s)**") at the time of such exchange (determined without regard to market or trading value of the Original Obligation(s)); and
- (y) in the case of a Bond or Loan that is fungible with a prior debt obligation previously issued by the Reference Entity, such Bond or Loan shall be treated as having the same issue price or amount advanced as the prior debt obligation.

In circumstances where a holder would have received more than one obligation in exchange for the Original Obligation(s), the Calculation Agent will determine the allocation of the aggregate Outstanding Principal Balance of the Original Obligation(s) amongst each of the resulting obligations for the purpose of determining the issue price or amount advanced of the relevant Bond or Loan. Such allocation will take into account the interest rate, maturity, level of subordination and other terms of the obligations that resulted from the exchange and shall be made by the Calculation Agent in accordance with the methodology (if any) determined by the relevant Credit Derivatives Determinations Committee or, if none, as determined by the Calculation Agent in such manner and by reference to such source(s) as it determines appropriate."

(b) Failure to Pay

The definition of "Failure to Pay" in Credit Linked Note Condition 11 shall be deleted and replaced with the following:

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

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.

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Unless "Credit Deterioration Requirement" is specified as not applicable in respect of the relevant Reference Entity in the applicable Final Terms, then, notwithstanding the foregoing, it shall not constitute a Failure to Pay if such failure does not directly or indirectly either result from, or result in, a deterioration in the creditworthiness or financial condition of the Reference Entity, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. In making such determination, the Calculation Agent may take into account the guidance note set out in paragraph 3 (Interpretive Guidance) of the ISDA 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (published on 15 July 2019).".

## ANNEX A TO THE ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES

## AUCTION REDEMPTION

Capitalized terms used but not defined in this summary have the meaning specified in the Rules and the Form of Auction Settlement Terms (as defined below or in Annex B to the Additional Terms and Conditions for Credit Linked Notes). All times of day in this summary refer to such times in London.

**Publication of Credit Derivatives Auction Settlement Terms**

A Credit Derivatives Determinations Committee may determine that a Credit Event has occurred in respect of a Reference Entity (such entity, an "**Affected Reference Entity**") and that one or more auctions will be held in order to settle affected transactions referencing such Affected Reference Entity based upon a specified Auction Final Price determined in accordance with an auction procedure (each, an "**Auction**"). If an Auction is to be held, the Credit Derivatives Determinations Committee will publish Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity, based upon the Form of Auction Settlement Terms first published as Annex B to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions, published by the International Swaps and Derivatives Association, Inc. ("ISDA") on 12 March 2009 (the "**Form of Auction Settlement Terms**"). Noteholders should note that the Credit Derivatives Determinations Committees have the power to amend the form of Credit Derivatives Auction Settlement Terms for a particular auction and that this summary may therefore not be accurate in all cases. The following does not purport to be a complete summary and prospective investors must refer to the Form of Auction Settlement Terms for detailed information regarding the auction methodology set forth therein (the "**Auction Methodology**"). The Auction and the Auction Methodology apply to credit default swaps on the Reference Entity and do not apply specifically to the Credit Linked Notes. A copy of the Form of Auction Settlement Terms may be inspected at the offices of the Issuer and is also currently available at [www.isda.org](http://www.isda.org) (or any successor website thereto). The Credit Derivatives Determinations Committee will additionally make several related determinations, including the date on which the Auction will be held (the "**Auction Date**"), the institutions that will act as participating bidders in the Auction (the "**Participating Bidders**") and the supplemental terms that are detailed in Schedule 1 to the Form of Auction Settlement Terms. The Credit Derivatives Determinations Committee may also amend the Form of Auction Settlement Terms for a particular auction and may determine that a public comment period is necessary in order to effect such an amendment if such amendment is not contemplated by the Rules.

**Auction Methodology***Determining the Auction Currency Rate*

On the Auction Currency Fixing Date, the Administrators will determine the rate of conversion (each, an "**Auction Currency Rate**") as between the Relevant Currency and the currency of denomination of each Deliverable Obligation (each, a "**Relevant Pairing**") by reference to a Currency Rate Source or, if such Currency Rate Source is unavailable, by seeking mid-market rates of conversion from Participating Bidders (determined by each such

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Participating Bidder in a commercially reasonable manner) for each such Relevant Pairing. If rates of conversion are sought from Participating Bidders and more than three such rates are obtained by the Administrators, the Auction Currency Rate will be the arithmetic mean of such rates, without regard to the rates having the highest and lowest values. If exactly three rates are obtained, the Auction Currency Rate will be the rate remaining after disregarding the rates having the highest and lowest values. For this purpose, if more than one rate has the same highest or lowest value, then one of such rates shall be disregarded. If fewer than three rates are obtained, it will be deemed that the Auction Currency Rate cannot be determined for such Relevant Pairing.

### *Initial Bidding Period*

During the Initial Bidding Period, Participating Bidders will submit to the Administrators: (a) Initial Market Bids; (b) Initial Market Offers; (c) Dealer Physical Settlement Requests; and (d) Customer Physical Settlement Requests (to the extent received from customers).

Initial Market Bids and Initial Market Offers are firm quotations, expressed as percentages, to enter into credit derivative transactions in respect of the Affected Reference Entity on terms equivalent to the Representative Auction-Settled Transaction.

The Initial Market Bid and Initial Market Offer submitted by each Participating Bidder must differ by no more than the designated Maximum Initial Market Bid-Offer Spread and must be an integral multiple of the Relevant Pricing Increment (each as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity). The Initial Market Bid must be less than the Initial Market Offer.

Dealer Physical Settlement Requests and Customer Physical Settlement Requests are firm commitments, submitted by a Participating Bidder, on its own behalf or on behalf of a customer, as applicable, to enter into a Representative Auction-Settled Transaction, in each case, as seller (in which case, such commitment will be a "Physical Settlement Buy Request") or as buyer (in which case, such commitment will be a "Physical Settlement Sell Request"). Each Dealer Physical Settlement Request must be, to the best of such Participating Bidder's knowledge and belief, in the same direction as, and not in excess of, its Market Position. Each Customer Physical Settlement Request must be, to the best of the relevant customer's knowledge and belief (aggregated with all Customer Physical Settlement Requests submitted by such customer), in the same direction as, and not in excess of, its Market Position.

If the Administrators do not receive valid Initial Market Bids and Initial Market Offers from at least a minimum number of Participating Bidders (as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity), the timeline will be adjusted and the Initial Bidding Period extended, with the Auction recommencing at such time(s) specified by the Administrators, otherwise it will proceed as follows.

### *Determination of Open Interest, Initial Market Midpoint and Adjustment Amounts*

The Administrators will calculate the Open Interest, the Initial Market Midpoint and any Adjustment Amounts in respect of the Auction.

The Open Interest is the difference between all Physical Settlement Sell Requests and all Physical Settlement Buy Requests.

To determine the Initial Market Midpoint, the Administrators will: (a) sort the Initial Market Bids in descending order and the Initial Market Offers in ascending order, identifying non-tradeable markets for which bids are lower than offers; (b) sort non-tradeable markets in terms of tightness of spread between Initial Market Bid and Initial Market Offer; and (c) identify that half of the non-tradeable markets with the tightest spreads. The Initial Market Midpoint is determined as the arithmetic mean of the Initial Market Bids and Initial Market Offers contained in the half of non-tradeable markets with the tightest spreads.

Any Participating Bidder whose Initial Market Bid or Initial Market Offer forms part of a tradeable market will be required to make a payment to ISDA on the third Business Day after the Auction Final Price Determination Date (an "**Adjustment Amount**"), calculated in accordance with the Auction Methodology. Any payments of Adjustment Amounts shall be used by ISDA to defray any costs related to any auction that ISDA has coordinated, or that ISDA will in the future coordinate, for purposes of settlement of credit derivative transactions.

If for any reason no single Initial Market Midpoint can be determined, the procedure set out above may be repeated.

At or prior to the Initial Bidding Information Publication Time on any day on which the Initial Bidding Period has successfully concluded, the Administrators publish the Open Interest, the Initial Market Midpoint and the details of any Adjustment Amounts in respect of the Auction.

If the Open Interest is zero, the Auction Final Price will be the Initial Market Midpoint.

#### *Submission of Limit Order Submissions*

In the event that the Open Interest does not equal zero, a subsequent bidding period will be commenced during the Initial Bidding Period which: (a) if the Open Interest is an offer to sell Deliverable Obligations, Participating Bidders submit Limit Bids; or (b) if the Open Interest is a bid to purchase Deliverable Obligations, Limit Offers, in each case, on behalf of customers and for their own account.

#### *Matching bids and offers*

If the Open Interest is a bid to purchase Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Offers and Limit Offers, as further described in the Auction Methodology. If the Open Interest is an offer to sell Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Bids and Limit Bids, as further described in the Auction Methodology.

#### *Auction Final Price when the Open Interest is Filled*

The Auction Final Price will be the price associated with the matched Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, that is the highest offer or the lowest bid, as applicable, provided that: (a) if the Open Interest is an offer to sell and the price associated with the lowest matched bid exceeds the Initial Market Midpoint by more than the "Cap Amount" (being the percentage that is equal to one half of the Maximum Initial Market Bid-Offer Spread (rounded to the nearest Relevant Pricing Increment)), then the Auction Final Price will be the Initial Market Midpoint plus the Cap Amount; and (b) if the Open Interest is a bid to purchase and the Initial Market Midpoint exceeds the price associated with the highest offer by more than the Cap Amount, then the Auction Final Price will be the Initial Market Midpoint minus the Cap Amount.

*Auction Final Price when the Open Interest is Not Filled*

If, once all the Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, have been matched to the Open Interest, part of the Open Interest remains, the Auction Final Price will be: (a) if the Open Interest is a bid to purchase Deliverable Obligations, the greater of (i) zero, and (ii) the highest Limit Offer or Initial Market Offer received; or (b) if the Open Interest is an offer to sell Deliverable Obligations, zero.

*100 per cent. Cap to Auction Final Price*

In all cases, if the Auction Final Price determined pursuant to the Auction Methodology is greater than 100 per cent., then the Auction Final Price will be deemed to be 100 per cent.

*Publication of Auction Final Price*

At or prior to the Subsequent Bidding Information Publication Time on any day on which the subsequent bidding period has successfully concluded, the Administrators will publish on their websites: (a) the Auction Final Price; (b) the names of the Participating Bidders who submitted bids, offers, valid Dealer Physical Settlement Requests and valid Customer Physical Settlement Requests, together with the details of all such bids and offers submitted by each; and (c) the details and size of all matched trades.

**Restructuring**

Following certain Restructuring credit events, more than one auction may be held and there may be more than one Auction Final Price and credit default swaps are grouped into buckets by maturity and depending on which party triggers the credit default swap. Deliverable obligations will be identified for each bucket (any deliverable obligations included in a shorter bucket will also be deliverable for all longer buckets). If the Credit Derivatives Determinations Committee determines to hold an auction for a particular bucket, then that auction will be held according to the existing auction methodology that has previously been used for Bankruptcy and Failure to Pay credit events as described in the summary below, except that the deliverable obligations will be limited to those falling within the relevant maturity bucket.

**Execution of Trades Formed in the Auction**

Each Participating Bidder whose Limit Bid or Initial Market Bid (or Limit Offer or Initial Market Offer if applicable) is matched against the Open Interest, and each Participating Bidder that submitted a Customer Physical Settlement Request or Dealer Physical Settlement Request, is deemed to have entered into a Representative Auction-Settled Transaction, and each customer that submitted such a Limit Bid, Limit Offer, or Physical Settlement Request is deemed to have entered into a Representative Auction-Settled Transaction with the dealer through whom the customer submitted such bid or offer. Accordingly, each such Participating Bidder or customer that is a seller of Deliverable Obligations pursuant to a trade formed in the auction must deliver to the buyer to whom such Participating Bidder or customer has been matched a Notice of Physical Settlement indicating the Deliverable Obligations that it will deliver, and such Deliverable Obligations will be sold to the buyer in exchange for payment of the Auction Final Price.

**Timing of Auction Settlement Provisions**

If an Auction is held in respect of an Affected Reference Entity, it is expected that the relevant Auction Date will occur on the third Business Day immediately prior to the 30th calendar day after which the relevant Credit Derivatives Determinations Committee received the request from an eligible market participant (endorsed by a member of the relevant Credit Derivatives Determinations Committee) to resolve whether a Credit Event has occurred with respect to such Reference Entity.

In respect of an Affected Reference Entity for which an Auction is held, the Auction Settlement Date will occur on a Business Day following the Auction Final Price Determination Date, as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.



**ANNEX B TO THE ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES**

**CREDIT DERIVATIVES DETERMINATIONS COMMITTEES**

In making certain determinations with respect to the Credit Linked Notes, the Calculation Agent may but is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committees. This Annex sets forth a summary of the Credit Derivatives Determinations Committees Rules, as published by ISDA and made available on the website of the Credit Derivatives Determinations Committees at <https://www.cdsdeterminationscommittees.org> (or any successor website thereto) as of 28 September 2018 (the "Rules") and is subject to the rules as published by ISDA from time to time and as amended from time to time. This summary is not intended to be exhaustive and prospective investors should also read the Rules and reach their own views prior to making any investment decisions. A copy of the Rules published by ISDA is available at: <https://www.cdsdeterminationscommittees.org> (or any successor website thereto).

Capitalised terms used but not defined in this summary have the meaning specified in the Final Terms or the Rules, as applicable.

**Establishment of the Credit Derivatives Determinations Committees**

In accordance with the Rules, a Credit Derivatives Determinations Committee has been formed for each of the regions of (a) the Americas, (b) Asia Ex-Japan, (c) Australia-New Zealand, (d) Europe, Middle East and Africa and (e) Japan. As of the date hereof, the Calculation Agent (or one of its Affiliates) is a voting member on each of the Credit Derivatives Determinations Committees. See "Risk Factors – Risk Associated with Credit Derivatives Determinations Committees" for additional information regarding conflicts of interest. The Credit Derivatives Determinations Committees will act in accordance with the Rules and will make determinations that are relevant for Credit Derivative Transactions that incorporate, or are deemed to incorporate, the 2014 ISDA Credit Derivatives Definitions, as amended from time to time (the "2014 Definitions"). ISDA will serve as the secretary of each Credit Derivatives Determinations Committee and will perform administrative duties and make certain determinations as provided for under the Rules.

**Decision-making Process of the Credit Derivatives Determinations Committees**

Each DC Resolution by a Credit Derivatives Determinations Committee will apply to Credit Derivative Transactions that incorporate, or are deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions (depending on the applicable "Coverage Election" and subsequent determinations of the Credit Derivatives Determinations Committee) and for which the relevant provisions are not materially inconsistent with the provisions with respect to which the Credit Derivatives Determinations Committee bases its determination. As a result, determinations by the Credit Derivatives Determinations Committees are not applicable to the Noteholders, unless specified otherwise in the terms of the Credit Linked Notes. The Credit Derivatives Determinations Committees shall have no ability to amend the terms of the Credit Linked Notes. Furthermore, the institutions on the Credit Derivatives Determinations Committees owe no duty to the Noteholders. See "Risk Factors - Risks Associated with Credit Derivatives Determinations Committees" for further information. The terms of the Credit

Linked Notes provide that the Noteholders will be subject to certain determinations by the Credit Derivatives Determinations Committees. The Credit Derivatives Determinations Committees will be able to make determinations without action or knowledge by the Noteholders.

A Credit Derivatives Determinations Committee will be convened upon referral of (i) a question to ISDA by an identified eligible market participant and the agreement of at least one of the voting members of the relevant Credit Derivatives Determinations Committee to deliberate the question, or (ii) a question to ISDA by an unidentified eligible market participant and the agreement of at least two of the voting members of the relevant Credit Derivatives Determinations Committee to deliberate the question, or (iii) a question to ISDA by an eligible market participant which is an Eligible CCP (being an eligible clearing entity) and such question is not designated as a "General Interest Question" and relates to an eligible cleared Reference Entity with respect to such Eligible CCP and to certain specified matters such as a Credit Event, Potential Repudiation/Moratorium and/or Successor. ISDA will convene the Credit Derivatives Determinations Committee for the region to which the referred question relates, as determined in accordance with the Rules. Any party to a transaction that incorporates, or is deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions may refer a question to ISDA for a Credit Derivatives Determinations Committee to consider. Therefore, a binding determination may be made with respect to the Credit Linked Notes without any action by the Noteholders. Noteholders (in their capacity as holders of the Credit Linked Notes) will not be able to refer questions to the Credit Derivatives Determinations Committees.

Once a question is referred to a Credit Derivatives Determinations Committee, a DC Resolution may result quickly, as a binding vote usually must occur within two business days of the first meeting held with respect to such question unless the timeframe is extended by agreement of at least 80% of the voting members participating in a vote held in accordance with the Rules. In addition, voting members of the Credit Derivatives Determinations Committees are required to participate in each binding vote, subject only to limited abstention rights. Notices of questions referred to the Credit Derivatives Determinations Committees, meetings held to deliberate such questions, meeting statements and the results of binding votes will be published on the ISDA website and neither the Issuer, the Calculation Agent nor any of their respective Affiliates shall be obliged to inform the Noteholders of such information (other than as expressly provided in the Final Terms). Noteholders shall therefore be responsible for obtaining such information. See "Risk Factors – Risks Associated with Credit Derivatives Determinations Committees".

The Credit Derivatives Determinations Committees have the ability to make determinations that may materially affect the Noteholders. The Credit Derivatives Determinations Committees will be able to make a broad range of determinations in accordance with the Rules that may be relevant to the Credit Linked Notes and materially affect the Noteholders. For each of the general types of questions discussed below, the Credit Derivatives Determinations Committees may determine component questions that arise under the 2014 Definitions or the Updated 2003 Definitions, or the Rules and that are related to the initial question referred. Since the terms governing the credit-linked elements of the Credit Linked Notes are substantially similar to the 2014 Definitions or, as the case may be, the Updated 2003 Definitions, such determinations may affect the Noteholders, as further described below.

### **Credit Events**

The Credit Derivatives Determinations Committees will be able to determine whether a Credit Event has occurred and, if applicable, the date of such Credit Event. Related questions that are also within the scope of the Credit Derivatives Determinations Committees are whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred. In addition, the Credit Derivatives Determinations Committees will also determine, where necessary, whether the required Publicly Available Information has been provided. Each of these determinations, other than whether the required Publicly Available Information has been provided, requires the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules in order to avoid the referral of the question to the external review process, as described further below. The determination of whether the required Publicly Available Information has been provided requires the agreement of at least a majority of the voting members participating in a binding vote held in accordance with the Rules and is not eligible for external review. Each of these determinations may affect whether an Event Determination Date will occur under the Credit Linked Notes. If the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred with respect to one of the Reference Entity(ies) on or after the Credit Event Backstop Date, then an Event Determination Date is deemed to have occurred in respect of the Credit Linked Notes.

### **Successors**

The Credit Derivatives Determinations Committees will be able to determine whether there are any Successor or Successors to a Reference Entity and the relevant Succession Date. In addition, the Credit Derivatives Determinations Committees will also determine the identity of the Successor(s) in accordance with the Rules. For a Reference Entity that is not a Sovereign, the Credit Derivatives Determinations Committees will determine the Relevant Obligation(s) of the Reference Entity (including any adjustments required to be made if there is a Steps Plan), the proportion of the Relevant Obligation(s) to which each purported Successor succeeds and the Succession Date. For a Reference Entity that is a Sovereign, the Credit Derivatives Determinations Committees will determine the Relevant Obligation(s) of the Reference Entity (including any adjustments to be made if there is a Steps Plan), whether a Sovereign Succession Event has occurred, if so the proportion of the Relevant Obligation(s) to which each purported Successor succeeds, and the Succession Date. Each of these determinations requires the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules in order to avoid the referral of the question to the external review process, as described further below, except for the actual identification of the Successor(s) for a Reference Entity (which only requires a majority and is not eligible for external review). The Calculation Agent may use the relevant DC Resolutions of the Credit Derivatives Determinations Committees in order to determine Successor(s) to the Reference Entity(ies).

### **Other Questions**

The Credit Derivatives Determinations Committees will be able to determine whether circumstances have occurred that require a Substitute Reference Obligation to be identified and, if so, the appropriate Substitute Reference Obligation. The Credit Derivatives Determinations Committees may also make determinations in relation to (i) Standard Reference Obligations and if applicable replacement Standard Reference Obligations in accordance with the Standard Reference Obligation Rules and (ii) whether or not Asset Package Delivery is applicable pursuant to the 2014 Definitions and if so, any Asset Package relating to a Prior Deliverable Obligation or Package Observable Bond, as applicable. In addition, the Credit Derivatives Determinations Committees will

be able to determine whether an entity that acts as seller of protection under one or more transactions (such entity, the "Relevant Seller") or a Reference Entity has consolidated or amalgamated with, or merged into, or transferred all or substantially all its assets to, the Reference Entity or the Relevant Seller, as applicable, or that the Relevant Seller and the Affected Reference Entity have become Affiliates. Each of these determinations requires the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules in order to avoid the referral of the question to the external review process, as described further below. The Calculation Agent may follow such DC Resolutions in making the equivalent determinations with respect to the Credit Linked Notes.

The Credit Derivatives Determinations Committees will be able to determine other referred questions that are relevant to the credit derivatives market as a whole and are not merely a matter of bilateral dispute. Such questions require the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules for each Credit Derivatives Determinations Committee implicated by the relevant question, as determined in accordance with the Rules, in order to avoid the possible referral of the question to the external review process, as described further below. Furthermore, the question relating to such DC Resolution may also be referred to the external review process if at least a majority of the voting members participating in a binding vote held in accordance with the Rules agree. Any guidance given by the Credit Derivatives Determinations Committees with respect to questions of interpretation of the 2014 Definitions or, as the case may be, the Updated 2003 Definitions are likely to influence the Calculation Agent in interpreting equivalent provisions under the Credit Linked Notes.

Any such question can be submitted to the Credit Derivatives Determinations Committees by an unidentified eligible market participant for deliberation. The relevant Credit Derivatives Determinations Committee(s) will deliberate such question upon the agreement of at least two of the voting members of the relevant Credit Derivatives Determinations Committee to deliberate the question. Once the deliberations on such question have commenced, the relevant Credit Derivatives Determinations Committee will proceed in accordance with the procedures described above with respect to the relevant question category, except that the identity of the eligible market participant who submitted the question will not be revealed to the members of the Credit Derivatives Determinations Committees or the general public.

### **External Review**

As described immediately above, certain questions deliberated by the Credit Derivatives Determinations Committees are subject to an external review process if the required threshold is not met during the binding vote held with respect to such question. For such questions, if at least 80% of the voting members participating in a binding vote held in accordance with the Rules fail to agree, the question will be automatically referred to the external review process. Questions that are not eligible for external review often require only a simple majority of participating voting members to agree in order to reach a DC Resolution.

Questions referred to external review will be considered by a panel of three independent individuals who will be selected by either the relevant Credit Derivatives Determinations Committee or by ISDA at random. The default duration of the external review process (which can be modified by the relevant Credit Derivatives Determinations

Committee in accordance with the Rules) is twelve business days from the referral of the question and contemplates the receipt of both written submissions and oral argument. Any member of ISDA may provide written submissions to the external reviewers, which will be made available to the public on the ISDA website, and the conclusion reached in accordance with the external review process will be binding on the Noteholders. In instances where the vote of the relevant Credit Derivatives Determinations Committee was less than or equal to 60%, the decision of a majority of the external reviewers will be determinative. However, in instances where the vote of the relevant Credit Derivatives Determinations Committee was between 60% and 80%, all three external reviewers must agree in order to overturn the vote of the Credit Derivatives Determinations Committee.

Noteholders should be aware that the external reviewers may not consider new information that was not available to the relevant Credit Derivatives Determinations Committee at or prior to the time of the binding vote and questions may be returned to the Credit Derivatives Determinations Committee for another vote if new information becomes available. In addition, if the external reviewers fail to arrive at a decision for any reason, the entire process will be repeated. As a result, the external review process may be elongated in certain situations, leaving questions that may materially affect the Noteholders unresolved for a period of time.

#### **The Composition of the Credit Derivatives Determinations Committees**

Each Credit Derivatives Determinations Committee is composed of fifteen voting members and three non-voting consultative members. Ten of the voting members are dealer institutions, with eight serving across all regions and two potentially varying by region. The other five voting members are non-dealer institutions that serve across all regions. The three non-voting consultative members consist of one dealer institution and one non-dealer institution that serve across all regions and one dealer institution that could potentially vary by region. For the first composition of the Credit Derivatives Determinations Committees only, an additional non-voting dealer institution has been selected to serve across all regions.

Noteholders will have no role in the composition of the Credit Derivatives Determinations Committees. Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on the Credit Derivatives Determinations Committees and the Noteholders will have no role in establishing such criteria. In addition, the composition of the Credit Derivatives Determinations Committees will change from time to time in accordance with the Rules, as the term of an institution may expire or an institution may be required to be replaced. The Noteholders will have no control over the process for selecting institutions to participate on the Credit Derivatives Determinations Committees and, to the extent provided for in the Credit Linked Notes, will be subject to the determinations made by such selected institutions in accordance with the Rules.

#### **Ability of the Calculation Agent or its Affiliates to influence the Credit Derivatives Determinations Committees**

As of the date hereof, the Calculation Agent (or one of its Affiliates) is a voting member on each of the Credit Derivatives Determinations Committees. In such capacity, it may take certain actions that may influence the process and outcome of decisions of the Credit Derivatives Determinations Committees, including (without limitation): (a) agreeing to deliberate a question referred to ISDA, (b) voting on the resolution of any question

being deliberated by a Credit Derivatives Determinations Committee and (c) advocating a certain position during the external review process. In addition, as a party to transactions which incorporate, or are deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions, the Calculation Agent may refer a question to ISDA for a Credit Derivatives Determinations Committee to deliberate. In deciding whether to take any such action, the Calculation Agent (or its Affiliate) shall be under no obligation to consider the interests of any Holder. See "*Potential conflicts of interest of the Calculation Agent*" below for additional information.

#### **Potential Conflicts of interest of the Calculation Agent**

Since, as of the date hereof, the Calculation Agent (or one of its Affiliates) is a voting member on each of the Credit Derivatives Determinations Committees and is a party to transactions which incorporate, or are deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions, it may take certain actions which may influence the process and outcome of decisions of the Credit Derivatives Determinations Committees. See "*Ability of the Calculation Agent or its Affiliates to influence the Credit Derivatives Determinations Committees*" above for additional information. Such action may be adverse to the interests of the Noteholders and may result in an economic benefit accruing to the Calculation Agent. In taking any action relating to the Credit Derivatives Determinations Committees or performing any duty under the Rules, the Calculation Agent shall have no obligation to consider the interests of the Noteholders and may ignore any conflict of interest arising due to its responsibilities under the Credit Linked Notes.

Noteholders will have no recourse against either the institutions serving on the Credit Derivatives Determinations Committees or the external reviewers. Institutions serving on the Credit Derivatives Determinations Committees and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the Rules, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the institutions on the Credit Derivatives Determinations Committees do not owe any duty to the Noteholders and the Noteholders will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

Noteholders should also be aware that institutions serving on the Credit Derivatives Determinations Committees have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committees are not obligated to follow previous determinations and, therefore, could reach a conflicting determination for a similar set of facts.

Noteholders shall be responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committees. Notices of questions referred to the Credit Derivatives Determinations Committees, meetings held to deliberate such questions and the results of binding votes will be published on the ISDA website and neither the Issuer, the Calculation Agent nor any of their respective Affiliates shall be obliged to inform the Noteholders of such information (other than as expressly provided in the Final Terms). Failure by the Noteholders to be aware of information relating to deliberations of a Credit Derivatives Determinations Committee will have no effect under the Final Terms and Noteholders are solely responsible for obtaining any such information.

#### **Amendments to the Rules**

**ANNEX 12 – ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES**

The Rules may be amended from time to time without the consent or input of the Noteholders and the powers of the Credit Derivatives Determinations Committees may be expanded or modified as a result.

ANNEX 13

ADDITIONAL TERMS AND CONDITIONS FOR SECURED NOTES

If specified as applicable in the Final Terms, the terms and conditions applicable to Notes specified in the Final Terms as Secured Notes shall comprise the terms and conditions of Notes (the "**Base Conditions**") and the additional Terms and Conditions for Secured Notes set out below (the "**Secured Notes Conditions**") together with any other additional terms and conditions specified in the Final Terms and subject to completion in the Final Terms. In the event of any inconsistency between (i) the Base Conditions and (ii) the Secured Notes Conditions, the Secured Notes Conditions shall prevail.

**1. Definitions**

"**Additional Charged Agreement**" means the agreement(s), if any, specified as such in the Final Terms;

"**Additional Charging Document**" means any non-English law governed security document entered into by MBFL for the purposes of granting security over or in respect of any part of the Mortgaged Property for the relevant Series;

"**Affiliate**" means any entity which is (a) an entity controlled, directly or indirectly, by MBFL, (b) an entity that controls, directly or indirectly, MBFL or (c) an entity directly or indirectly under common control with MBFL;

"**Charged Agreement(s)**" means the Transfer Agreement and, if specified as applicable in the applicable Final Terms, the Credit Support Document, in each case in respect of such Series;

"**Collateral Assets**" means the Initial Collateral Assets and any Eligible Collateral delivered (a) to MBFL or the Custodian (on behalf of MBFL) as additional Collateral Assets in accordance with the Charged Agreement(s) but which shall not include any Collateral Assets released in accordance with the Security Trust Deed or, as applicable, (b) by MBFL as additional Collateral Assets but shall not include any Collateral Assets released in accordance with Secured Notes Condition 5 (*Adjustment of Collateral Assets*);

"**Collateral Assets Coverage Requirement**" will be satisfied at the relevant time if the aggregate Value (where Value Basis applies) or aggregate nominal amount (where Nominal Basis applies) of the Collateral Assets is at least equal to the relevant Coverage Percentage of the Value (where Value Basis applies) or aggregate notional amount (where Notional Basis applies) of all outstanding Notes of the relevant Series at such time, all as determined by the Calculation Agent in its sole and absolute discretion.

"**Coverage Percentage**" means the percentage specified as such in the Final Terms.

"**Counterparty**" means the entity designated as the counterparty in the applicable Final Terms;

"**Counterparty Priority Basis**" has the meaning given to such term in Secured Notes Condition 3 (*Application of Proceeds*);



"**Credit Support Document**" has the meaning given in the applicable Final Terms;

"**Eligible Collateral**" means loans, cash, securities, which may comprise bonds or notes listed on a regulated market, shares listed on a regulated market, shares, units or other interests in a UCITS Fund, and/or other assets of the type or types as specified as such in the applicable Final Terms;

"**Initial Collateral Assets**" has the meaning given in the applicable Final Terms;

"**Instructing Creditor**" means:

- (a) in the case where Collateral Arrangements Only is specified as applying in the Final Terms, Noteholders holding not less than 25 per cent. of the aggregate notional amount of the outstanding Notes of the relevant Series; or,
- (b) where Charged Agreement/Collateral Arrangements is specified as applying in the Final Terms:
  - (i) if the applicable Security Ranking Basis is Noteholder Priority Basis, Noteholders holding not less than 25 per cent. of the aggregate notional amount of the outstanding Notes of the relevant Series; or
  - (ii) if the applicable Security Ranking Basis is Counterparty Priority Basis, the Counterparty; or
  - (iii) if the applicable Security Ranking Basis is Pari Passu Basis each of (i) the Counterparty and (ii) Noteholders holding not less than 25 per cent. of the aggregate notional amount of the outstanding Notes of the relevant Series,

"**Mortgaged Property**" means the assets over which the Security is created by MBFL from time to time in relation to such Series, including, as applicable, the Collateral Assets and the Rights under the Transaction Documents;

"**Noteholder Priority Basis**" has the meaning given to such term in Secured Notes Condition 3 (*Application of Proceeds*);

"**Pari Passu Basis**" has the meaning given to such term in Secured Notes Condition 3 (*Application of Proceeds*);

"**Notional Basis**" means that in the case of an Adjustment of Collateral Assets or a further issue of Notes the Calculation Agent will determine the aggregate notional amount of the Notes and the notional amount of the Collateral Assets for purposes of determining if the Collateral Assets Coverage Requirement is satisfied and for this purpose the notional/nominal amounts will be expressed in the Specified Currency (or, if applicable, converted into the Issue Currency at an appropriate exchange rate for such conversion), and no account will be taken of any accrued but unpaid interest or entitlement and in the case of Collateral Assets with no stated nominal amount the Calculation Agent will determine the appropriate amount with reference to such source(s) as it determines appropriate in its sole and absolute discretion.

## ANNEX 13 – ADDITIONAL TERMS AND CONDITIONS FOR SECURED NOTES

**"Realisation Amount"** means the net proceeds of realisation of, or enforcement with respect to, the Mortgaged Property (following payment of (i) all amounts due to the Security Trustee and/or any receiver or other appointee, including any costs, expenses and taxes incurred in connection with such realisation or enforcement; (ii) all fees and expenses of the Liquidation Agent and (iii) all amounts due and unpaid to the Fiscal Agent under clause 11 of the Issue and Paying Agency Agreement);

**"Rights"** means, in relation to any agreement or asset, all rights, title and interest of the relevant person in, to and under such agreement or asset including, without limitation:

- (a) in the case of MBFL's rights under the Issue and Paying Agency Agreement and each Charged Agreement, all its rights, title and interest under such agreement(s) and, in the case of the Issue and Paying Agency Agreement, all its rights in respect of all funds and/or assets held from time to time by the Fiscal Agent for payment in respect of the Notes or otherwise in relation to the Notes; and
- (b) in the case of MBFL's rights under the Collateral Assets, all its rights in respect thereof or relating thereto and any sums or assets derived therefrom whether or not against third parties, including, without limitation, MBFL's rights against the Custodian to redelivery of equivalent Collateral Assets and any proceeds of the sale of the Collateral Assets;

**"Security"** means the Security Interests created, or intended to be created at any time, in favour of the Security Trustee under the Security Documents in respect of such Series;

**"Security Documents"** means the Security Trust Deed, each Supplemental Trust Deed and any Additional Charging Documents in each case in respect of such Series;

**"Security Interest"** means any mortgage, sub-mortgage, standard security, charge, sub-charge, assignment, assignation in security, pledge, lien, right of set-off or other encumbrance or security interest;

**"Note Termination Amount"** means the amount specified in, or determined in the manner specified in, the applicable Final Terms.

**"Subsidiary"** means, in relation to any Person (the first Person) at any particular time, any other Person (the second Person):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person, or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

**"Transaction Documents"** means the Security Trust Deed, the Custody Agreement, the Account Bank Agreement, the Charged Agreement(s), the Additional Charged Agreement(s), the Supplemental Trust Deed, the

Issue and Paying Agency Agreement and any Additional Charging Document in each case entered into in relation to and as the same relate to such Series and all agreements incidental to the issue of the Notes of such Series;

"**Transfer Agreement**" has the meaning given in the Final Terms;

"**Transfer Agreement Termination Date**" means the date specified as such in the applicable Final Terms;

"**UCITS Fund**" means an investment fund that qualifies as an undertaking for collective investment in transferable securities within the scope of Council Directive 85/611/EEC of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as such directive is amended, superseded and replaced from time to time.

"**Value**" has the meaning given in the definition of Value Basis.

"**Value Basis**" means that in the case of an Adjustment of Collateral Assets or a further issues of Notes the Calculation Agent will determine the Value of the Notes and Collateral Assets for purposes of determining if the Collateral Assets Coverage Requirement is satisfied and for this purpose "Value" will be determined as provided in the Final Terms or, if not specified in the Final Terms, shall mean the fair market value of the Notes or Collateral Assets, as applicable, expressed in the Specified Currency and determined by the Calculation Agent with reference to such source(s) as the Calculation Agent determines appropriate in its sole and absolute discretion (and this will not require the Calculation Agent to obtain any "best execution" price).

## 2. Security

- (a) *Security*: Pursuant to the Security Trust Deed, MBFL's obligations under the Notes and the Charged Agreement(s) will be secured by the following security, in each case save to the extent the relevant asset or right is charged under an Additional Charging Document:
- (i) a first fixed charge and a first ranking assignment by way of security of all of the Issuer's Rights in, to and under the Collateral Assets; and
  - (ii) a first ranking assignment by way of security of all of the Issuer's Rights under each Charged Agreement, each Additional Charged Agreement and the Issue and Paying Agency Agreement in respect of such Notes.
- (b) The applicable Final Terms will specify (i) any Charged Agreement(s), being a Transfer Agreement entered into together, if applicable, with a Credit Support Document (ii) any Additional Charged Agreement and (iii) whether any other security interest will be created under the Security Trust Deed and/or under an Additional Charging Document.
- (c) *Realisation of Mortgaged Property upon early redemption or Event of Default*: If the Security in relation to any of the Mortgaged Property becomes enforceable where the Notes are declared immediately due and payable pursuant to Secured Notes Condition 7 (*Events of Default*) or otherwise as specified in the Final Terms, the Security Trustee or, where permitted in accordance with Secured Notes Condition 9 (*Disposal of Collateral Assets*) the Liquidation Agent may in its discretion and, if requested by an

Instructing Creditor, shall (in each case, subject to being indemnified and/or secured and/or prefunded to its satisfaction) realise such Mortgaged Property and/or take such action as may be permitted under applicable laws against any obligor in respect of such Mortgaged Property. The Security Trustee and Liquidation Agent will not have any liability as to the consequence of such action and will not have regard to the effect of such action on individual Noteholders or the Counterparty. On the occurrence of any such event, the Charged Agreement(s) may, if so provided therein, terminate in accordance with its or their terms.

### 3. Application of Proceeds

The Security Trust Deed provides for the application of the Realisation Amount in accordance with the relevant Security Ranking Basis specified below (following payment of (i) all amounts due to the Security Trustee and/or any receiver or other appointee under or pursuant to the Security Trust Deed, including any costs, expenses and taxes incurred in connection with enforcement or realisation in accordance with the Security Trust Deed and thereafter (ii) the Liquidation Agent in respect of its fees and expenses and thereafter (iii) all amounts due and unpaid to the Fiscal Agent under clause 11 of the Issue and Paying Agency Agreement).

Where Collateral Arrangements Only is specified as applying in the Final Terms the "**Security Ranking Basis**" means the Realisation Amount will be applied first, in the meeting claims of the Noteholders under the Notes on a *pari passu* and *pro rata* basis, and second, in paying any remaining amount to MBFL.

Where Charged Agreement/Collateral Arrangements are specified as applying in the Final Terms:

The applicable Final Terms will specify the "**Security Ranking Basis**" in accordance with which the Realisation Amount will be applied being one of the following (or otherwise as specified in the applicable Final Terms):

- (i) "**Noteholder Priority Basis**", meaning first in meeting claims of the Noteholders under the Notes on a *pari passu* and *pro rata* basis and, thereafter, in meeting the claims of the Counterparty under the Charged Agreement(s); or
- (ii) "**Pari Passu Basis**", meaning in meeting the claims of the Noteholders and the Counterparty under the Charged Agreement(s) on a *pari passu* and *pro rata* basis; or
- (iii) "**Counterparty Priority Basis**", meaning first, in meeting the claims of the Counterparty under the Charged Agreement(s) and, thereafter, in meeting the claims of the Noteholders on a *pari passu* and *pro rata* basis.

For the avoidance of doubt, the Counterparty shall not have any claim in respect of the Issuer's Rights under the Charged Agreement(s). Where more than one Counterparty is specified in the Final Terms then the Security Ranking Basis will be as specified in the Final Terms.

### 4. Shortfall after Application of Proceeds

In the event that, following the application of the Realisation Amount in accordance with the applicable Security Ranking Basis, the amount payable to a Noteholder in respect of each Note held by him or her is less than the Note Termination Amount (the difference being referred to as a "**Shortfall**"), MBFL (failing which, the Guarantor) shall remain liable for such Shortfall, but any such Noteholders shall not have recourse to the Mortgaged Property secured in respect of any other Series of Notes.

## 5. Adjustment of Collateral Assets

This Secured Notes Condition applies where Collateral Arrangements Only is specified as applying in the Final Terms.

The Final Terms will specify whether "Adjustment of Collateral Assets" applies to Secured Notes and where this is applicable, MBFL may or, in some cases, will be obliged to adjust Collateral Assets from time to time as described below. If no such specification is made in the Final Terms, Adjustment of Collateral Assets will be deemed to be not applicable.

Where Adjustment of Collateral Assets applies then MBFL may or must, as applicable, from time to time, at its own cost and subject to the Security Trust Deed, by giving not less than 2 Business Days' notice (an "**Adjustment Notice**") in writing to the Security Trustee exercise its rights or perform its obligations as follows:

- (a) If "Issuer Collateral Assets Optional Top Up Right" is specified as applying in the Final Terms, MBFL may at its option provide further Eligible Collateral and secure this in favour of the Security Trustee on the same terms *mutatis mutandis*, as the other Collateral Assets; and/or
- (b) If "Issuer Collateral Assets Excess Removal Right" is specified as applying in the Final Terms, MBFL may at its option require that any loans, cash, securities or other assets for the time being comprising the Collateral Assets are released from the Security Interests in accordance with the Security Trust Deed and transferred to it for its own account provided that immediately following such transfer the Collateral Assets Coverage Requirement is met, even though this may not be the case subsequently; and/or
- (c) If "Issuer Collateral Assets Maintenance Obligation" is specified as applying in the Final Terms, MBFL must at all times ensure the Collateral Assets Coverage Requirement is met and where required in order to do so must provide further Eligible Collateral and secure this in favour of the Security Trustee on the same terms, *mutatis mutandis* as the other Collateral Assets; and/or
- (d) If "Issuer Collateral Assets Substitution Right (with coverage test)" is specified as applying in the Final Terms, MBFL may require that any loans, cash, securities or other assets for the time being comprising the Collateral Assets be replaced by Eligible Collateral and the Security Trustee shall accordingly release the Collateral Assets from the Security Interests in accordance with the Security Trust Deed to enable such adjustment, provided that upon any release of the substituted Collateral Assets from the Security Interests, the replacement Collateral Assets are secured by MBFL on the same terms *mutatis mutandis* as the substituted Collateral Assets and the Collateral Assets Coverage Requirement must be met immediately following the adjustments, even if this is not the case subsequently; and/or

- (e) If “Issuer Collateral Assets Substitution Right (without coverage test)” is specified as applying in the Final Terms, MBFL may require that any loans, cash, securities or other assets for the time being comprising the Collateral Assets be replaced by Eligible Collateral and the Security Trustee shall accordingly release the Collateral Assets from the Security Interests in accordance with the Security Trust Deed to enable such adjustment, provided that upon any release of the substituted Collateral Assets from the Security Interests, the replacement Collateral Assets are secured by MBFL on the same terms *mutatis mutandis* as the substituted Collateral Assets and the aggregate Value of the Collateral Assets immediately following such adjustment must be at least equal to the aggregate Value of the Collateral Assets immediately prior to such adjustment, even if this is not the case subsequently.

The Final Terms will specify whether Value Basis or Nominal Basis will apply and the criteria for the Eligible Collateral.

In any of the above cases, all requirements of any relevant stock exchange or competent authority and any other conditions specified in the Final Terms must be complied with.

Following its delivery of an Adjustment Notice to the Security Trustee, MBFL must also notify the Fiscal Agent, the Custodian, the Account Bank, the Calculation Agent, the Liquidation Agent and the Noteholders as soon as reasonably practicable provided that any failure to do so will not affect the validity of the relevant adjustment to the Collateral Assets.

## 6. Early Redemption

- 6.1 *Early redemption upon termination of a Charged Agreement:* If “Early redemption upon a Charged Agreement Termination” is specified as applicable in the Final Terms, the Notes may be redeemed at the option of MBFL in whole, but not in part, any time, on giving not less than 30 nor more than 60 days’ notice (or such other period of notice as set out in the applicable Final Terms) to Noteholders in accordance with Base Condition 16 (*Notices*) (which notice shall be irrevocable), in the event that, where Charged Agreement/Collateral Arrangements are specified as applying in the Final Terms, if any applicable Transfer Agreement, Credit Support Document or Additional Charged Agreement is terminated in accordance with its terms prior to its stated date of termination.
- 6.2 *Early redemption upon a Regulatory Event:* If “Early redemption upon a Regulatory Event” is specified as applicable in the Final Terms, the Notes may be redeemed at the option of MBFL in whole, but not in part, any time, on giving not less than 30 nor more than 60 days’ notice (or such other period of notice as set out in the applicable Final Terms) to Noteholders in accordance with Base Condition 16 (*Notices*) (which notice shall be irrevocable), in the event that a change in applicable law or regulation occurs that results, or will result, solely by reason of the Notes being outstanding, in the relevant Issuer being required to be regulated by any additional jurisdiction or regulatory authority, or being subject to any additional legal requirement or regulation considered by the relevant Issuer to be materially onerous to it.
- 6.3 *Early redemption amount:* Each Note settled early pursuant to this Base Condition 6 will be redeemed at its Note Termination Amount.

## 7. Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing, the holder of a Note of any Series may give written notice to the Fiscal Agent, the Liquidation Agent and the Security Trustee each at its specified office that such Note is immediately repayable, whereupon the Note Termination Amount (calculated on the basis that MBFL and the Guarantor are obligors of the highest creditworthiness) of such Note shall become immediately due and payable:

- (a) **Default in payment:** default is made for a period of (i) 5 Business Days or more in the payment of any Note Termination Amount, Automatic Early Redemption Amount, Optional Cash Redemption Amount (Call), Optional Cash Redemption Amount (Put), Instalment Amount, Cash Redemption Amount or other payment amount (excluding any Interest Amount) on any of the Notes or (ii) for a period of 15 Business Days or more in the payment of any Interest Amount due in respect of the Notes or any of them;
- (b) **Failure to deliver:** MBFL fails to deliver any Entitlement or Early Redemption Entitlement on the due date for delivery and such failure to deliver has not been remedied within 30 calendar days of notice of such failure having been given to MBFL by any Noteholder, provided that an Event of Default shall not occur under this Secured Notes Condition 7(b) if any of the conditions to settlement to be satisfied by the Noteholder have not been so satisfied as at the due date for delivery;
- (c) **Failure to perform any other Obligation:** MBFL or the Guarantor (where applicable) is in breach of or fails duly to perform any other obligation under or in respect of the Notes, the MBFL Deed of Guarantee, the Security Trust Deed, the Issue and Paying Agency Agreement, the Custody Agreement, or Account Bank Agreement and such failure continues for more than 30 days after the service by a holder of a Note or the Security Trustee of notice on MBFL requiring the same to be remedied;
- (d) **General suspension of payments:** MBFL or the Guarantor (where applicable) suspends its payments generally;
- (e) **Bankruptcy, composition or similar event:** a court in the country of domicile of MBFL or the Guarantor (where applicable) institutes bankruptcy proceedings or composition proceedings to avert a bankruptcy or MBFL or the Guarantor (where applicable) applies for institution of such proceedings or any event occurs in relation to MBFL or the Guarantor (where applicable) which under the laws of the Republic of Italy or Luxembourg has an analogous effect to such proceedings;
- (f) **Cross-default:** (i) any other present or future indebtedness of MBFL or the Guarantor for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity as a result of any payment default thereon by MBFL or, as the case may be, the Guarantor, or (ii) any such indebtedness is not paid when due or, as the case may be, within an applicable grace period, or (iii) MBFL or the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of any moneys borrowed or raised **provided that** an event of default pursuant to paragraphs (i), (ii) or (iii) above of this Secured Notes Condition 7 shall only occur if: (A) the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one of the events

mentioned in paragraphs (i), (ii) or (iii) above have occurred and is continuing exceeds €35,000,000 and (B) MBFL or the Guarantor is not contesting in good faith in a competent court in a recognised jurisdiction that the relevant indebtedness or guarantee and/or indemnity is due and enforceable, as appropriate;

- (g) **Insolvency:** either MBFL or the Guarantor is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of MBFL or the Guarantor as the case may be;
- (h) **Winding-up:** an order is made or an effective resolution is passed for the winding-up or dissolution or administration of MBFL or the Guarantor applies or petitions for a winding-up or administration order in respect of itself or ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purposes of and pursuant to or in connection with a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal or contribution in kind of assets or branches of business;
- (i) **Ownership:** MBFL ceases to be controlled by Mediobanca (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of MBFL under the Notes);
- (j) **Illegality:** it is or will become unlawful for MBFL to perform or comply with any one or more of its obligations under any of the Notes;
- (k) **Guarantee:** the MBFL Deed of Guarantee ceases to be a valid and binding obligation of the Guarantor or it becomes unlawful for the Guarantor to perform its obligations under the MBFL Deed of Guarantee or the MBFL Deed of Guarantee is claimed by MBFL or the Guarantor not to be in full force and effect (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of MBFL under the Notes);  
or
- (l) if specified in the Final Terms any Additional Event of Default occurs in respect of the relevant Series of Notes.

For the purpose of paragraph (f) above, any indebtedness for borrowed money which is in a currency other than euro shall be translated at the spot rate for the sale of the relevant currency against the purchase of euro in Luxembourg as quoted by a leading bank selected by the Fiscal Agent for this purpose on the day in Luxembourg on which such premature repayment becomes due or, as the case may be, such default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

## 8. Enforcement



Following an Event of Default which is continuing the Security Trustee may, at any time, at its discretion and without notice, take such action under or in connection with any of the Security Documents as it may think fit (including, without limitation, enforcing the Notes upon the Notes becoming enforceable), provided that it shall not be bound to take any such action unless:

- (a) it shall have been so directed in writing by the Instructing Creditor; and
- (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Notesholder shall be entitled to enforce the Notes or to proceed directly against MBFL to enforce the other provisions of the Security Document(s) unless the Security Trustee, having become bound so to enforce or to proceed, fails so to do within a reasonable time and such failure is continuing.

**In the event that the Realisation Amount is insufficient to pay all amounts due to the Notesholders, MBFL (failing which the Guarantor) shall remain liable for the Shortfall. No Notesholder shall be entitled to have recourse to the Mortgaged Property secured in respect of any other Series of Notes.**

#### **9. Disposal of Collateral Assets**

- (a) If an Event of Default has occurred or the Notes are otherwise declared immediately due and payable and, in either case, an Instructing Creditor has directed the Security Trustee to take action to enforce the Notes, the Security Trustee will as soon as reasonably practicable notify the Liquidation Agent of this (such notice a "**Collateral Liquidation Event Notice**") and the Liquidation Agent will take action to dispose of the Collateral Assets pursuant to this Secured Notes Condition 9 (such disposal being a "**Collateral Liquidation Event**").

The Liquidation Agent shall not otherwise be required to monitor, enquire or satisfy itself as to whether a Collateral Liquidation Event might arise. Prior to receipt by it of a Collateral Liquidation Event Notice, the Liquidation Agent may assume that no such event has occurred.

The Liquidation Agent shall be entitled to rely on a Collateral Liquidation Event Notice without investigation.

- (b) Following receipt by it of a valid Collateral Liquidation Event Notice the Liquidation Agent will on behalf of MBFL and the Guarantor, so far as is practicable in the circumstances effect a liquidation of the Collateral Assets for settlement as soon as reasonably practicable following the effective delivery of the related Collateral Liquidation Event Notice.

Following the occurrence of a Collateral Liquidation Event and effective delivery of a valid Collateral Liquidation Event Notice, the security shall be released without further action on the part of the Security Trustee to the extent necessary for the Liquidation Agent to effect the disposal of the Collateral Assets. Nothing in this paragraph will operate to release the charges and other security interests over the proceeds of the liquidation of the Collateral Assets.

**ANNEX 13 – ADDITIONAL TERMS AND CONDITIONS FOR SECURED NOTES**

The Liquidation Agent must account to the Security Trustee for all of the proceeds of disposal and apply these only as directed by the Security Trustee.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Notes will be in the following form completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**[PRIIPs Regulation / Prospectus Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

- The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "MiFID II")] / [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. [*Consider to include information on the product approval process*]. Any person subsequently offering, selling or recommending the Notes (a "Distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a Distributor subject to MiFID II is responsible for

undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] [*Consider to amend the legend above if necessary*]<sup>2</sup>

**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*] [*Consider to include information on the product approval process*]. Any person subsequently offering, selling or recommending the Notes (a “Distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.] [*Consider to amend the legend above if necessary*]<sup>3</sup>

**[MIFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “MiFID II”); ***EITHER*** [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] ***OR*** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market and amend the list if necessary*]. [*Consider to include information on the product approval process*]. Any person subsequently offering, selling or recommending the Notes (a “Distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable] [*Consider to amend the legend above if necessary*].]<sup>4</sup>

**[UK MIFIR product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8)

<sup>2</sup> Include legend in case MiFID II target market assessment in respect of the Notes is “Professional Investors and Eligible Counterparties only”.

<sup>3</sup> Include legend in case UK MiFIR target market assessment in respect of the Notes is “Professional Investors and Eligible Counterparties only”.

<sup>4</sup> Include legend in case MiFID II target market assessment in respect of the Notes is “Retail Investor Target Market”.

of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”) and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (“UK MiFIR”); *EITHER* [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services] *OR* [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, / and] portfolio management[, / and][ non-advised sales ][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “Distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under COBS, as applicable]]. [*Consider to amend the legend above if necessary*].<sup>5</sup>

**Final Terms**

**[MEDIOBANCA - Banca di Credito Finanziario S.p.A.**

**Legal entity identifier (LEI): PSNL19R2RXX5U3QWHI44/**

**MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.**

**Legal entity identifier (LEI): 549300DV870NBWY5W279/**

**MB Funding Lux S.A.**

**Legal entity identifier (LEI): 635400R5IHFIXBKVMS16]**

**[insert title of Notes]**

**[guaranteed in the case of Notes issued by  
[MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.]/[MB Funding Lux S.A.] by**

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.]**

**under the**

**Structured Note Issuance Programme**

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<sup>5</sup> Include legend in case UK MiFIR target market assessment in respect of the Notes is "Retail Investor Target Market".

SERIES NO: [ ]

TRANCHE NO: [ ]

Issue Price: [ ] per cent.

**[Dealer(s)]**

The date of these Final Terms is [ ]

Any person making or intending to make an offer of the Notes may only do so[:

- (i) in those Non-exempt Offer Jurisdictions mentioned in Paragraph [●] of Part B below, provided such person is a Dealer or an Authorised Offeror (as such term is defined in the Base Prospectus) and that the offer is made during the Offer Period specified in that paragraph and that any conditions relevant to the use of the Base Prospectus are complied with; or
- (ii) otherwise] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

[Neither][None of] the Issuer [nor], [the Guarantor or] any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]<sup>6</sup>

[Investors should note that if a supplement to or an updated version of the Base Prospectus referred to below is published at any time during the Offer Period (as defined below), such supplement or updated base prospectus, as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be, (the "**Publication Date**") have the right within three working days of the Publication Date to withdraw their acceptances.]<sup>7</sup>

## **PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 September 2023[, [the][each] Supplement[s] to the Base Prospectus published and approved on or before the date of these Final Terms (copies of which are available as described below) and any other

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<sup>6</sup> Include this wording where a non-exempt offer of Notes is anticipated.

<sup>7</sup> Include in respect of issues of Notes where the public offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.

Supplement to the Base Prospectus which may have been published and approved before the issue of any additional amount of Notes (the "**Supplements**") (provided that to the extent any such Supplement (i) is published and approved after the date of these Final Terms and (ii) provides for any change to the Conditions of the Notes such changes shall have no effect with respect to the Conditions of the Notes to which these Final Terms relate)] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**") (the "**Base Prospectus**"). [The Base Prospectus has been passported into [•] in compliance with Article 25 of the Prospectus Regulation.] This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. [*Insert for Non-EEA Notes:* Provided that the Prospectus Regulation does not apply in respect of the particular offer [and listing] of the Notes described herein.] Full information on [Mediobanca - Banca di Credito Finanziario S.p.A.]/[Mediobanca International (Luxembourg) S.A.]/[MB Funding Lux S.A.] (the "**Issuer**") [, Mediobanca - Banca di Credito Finanziario S.p.A. (the "**Guarantor**")], [and the offer][and/or] [listing] of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [A summary of the Notes is annexed to these Final Terms.]<sup>8</sup> [**The Base Prospectus [and any Supplement(s) to the Base Prospectus] [and these Final Terms]**<sup>9</sup> [is/are] available for viewing at [address] [and] [website] and copies may be obtained free of charge from [address].]

*[The following alternative language applies in respect of issues of Notes where the public offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 18 September 2023[, [the][each] Supplement[s] to the Base Prospectus published and approved on or before the date of these Final Terms (copies of which are available as described below)] [notwithstanding the publication and approval of any [other] Supplement to the 2023 Base Prospectus (each a "**2023 Future Supplement**") which may have been published and approved ([together,] the "**2023 Base Prospectus**")]] after the date of these Final Terms and before the issue of the Notes to which these Final Terms relate)] [and/or] [an updated Base Prospectus (any Supplement(s) thereto, each a "**2024 Future Supplement**")], which will replace the 2023 Base Prospectus (the "**2024 Base Prospectus**")]] (the date of any such publication and approval, each a "**Publication Date**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and [(i) prior to any Publication Date, must be read in conjunction with the 2023 Base Prospectus, or (ii)] on and after any Publication Date must be read in conjunction with [the 2023 Base Prospectus, as supplemented by any 2023 Future Supplement as at such date] [or, as applicable,] [the 2024 Base Prospectus, as supplemented by any 2024 Future Supplement as at such date,] save in respect of the Conditions which are extracted from the 2023 Base Prospectus. The 2023 Base Prospectus, as supplemented, constitutes [, and the 2024 Base Prospectus will constitute,] a base prospectus for the purposes of the Prospectus Regulation. Full information on [Mediobanca - Banca di Credito Finanziario S.p.A.]/[Mediobanca International (Luxembourg) S.A.]/[MB Funding Lux S.A.] (the "**Issuer**") [, Mediobanca - Banca di Credito Finanziario S.p.A. (the "**Guarantor**")], [and the offer][and/or] [listing] of the Notes is only available on the basis

<sup>8</sup> Include this wording where a non-exempt offer of Notes is anticipated.

<sup>9</sup> Include in respect of issues of Notes that are lists.

of the combination of these Final Terms and [(i) prior to any Publication Date, the 2023 Base Prospectus, or (ii)] [on or after any Publication Date, [the 2023 Base Prospectus, as supplemented by any 2023 Future Supplement as at such date] [or, as applicable,] [the 2024 Base Prospectus, as supplemented by any 2024 Future Supplement as at such date], save in respect of the Conditions which are extracted from the 2023 Base Prospectus. [The Issuer has in the 2023 Base Prospectus given consent to the use of the 2023 Base Prospectus in connection with the offer of the Notes. Such consent will be valid until the date that is twelve months following the date of the 2023 Base Prospectus. The Issuer will in the 2024 Base Prospectus give consent to the use of the 2023 Base Prospectus in connection with the offer of the Notes.] **[The 2023 Base Prospectus [, as supplemented,] [and these Final Terms]<sup>10</sup> [is/are] available[, and the 2024 Base Prospectus will be available] for viewing at [address] [and] [website] and copies may be obtained free of charge from [address].]**

[Pursuant to Regulation EU 2016/1011 the Issuer produces and maintains plans setting out the actions to take in the event that the [*include the name of the relevant Benchmark*] materially changes or ceases to be provided. Details of the plans may be provided upon written request.]

*[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms. However, such numbering may change where individual paragraphs or sub-paragraphs are removed.]*

References herein to numbered Conditions are to the terms and conditions of the relevant series of Notes and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms in so far as they relate to such series of Notes, save as where otherwise expressly provided.

*[When completing any final terms consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum redemption value may need to be £100,000 or its equivalent in any other currency.]*

## GENERAL PROVISIONS

The following terms apply to each series of Notes:

1. Issuer: [Mediobanca - Banca di Credito Finanziario S.p.A.]/[Mediobanca International (Luxembourg) S.A.]/[MB Funding Lux S.A.]

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<sup>10</sup> Include in respect of issues of Notes that are listed.



2. Guarantor: [Mediobanca - Banca di Credito Finanziario S.p.A.]  
[Not applicable]
3. Series Number [specify]
4. Tranche Number: [specify]
5. Issue Currency: [specify]
6. Nominal Amount: [specify] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●].]
- (Notes including Notes denominated in Sterling, in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of the Financial Services and Markets Act 2000 and which have a maturity of less than one year must have minimum redemption value of £100,000 (or its equivalent in other currencies).)*
- Aggregate Nominal Amount [specify] *(The Aggregate Nominal Amount is equal to the number of Notes issued multiplied by the Nominal Amount of each Note)*
7. Issue Price: [[ ] per Note] [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]
8. Maturity Date: [Specify date] [The maturity date for the Notes is [ ] [the [ ]th Business Day following the Valuation Date] [(the "**Scheduled Maturity Date**")]

Business Day Convention for Maturity Date:  
 [Following / Modified Following / Preceding /  
 Modified Preceding / None / Not applicable]

9. Issue Date: [specify]

Interest Commencement Date: [specify/Issue Date/Not Applicable]

10. [Date [Board] of approval for issuance of [Not applicable] [ ] [and [ ], respectively]]  
 Notes [and Guarantee] obtained:

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

11. Consolidation: [Not applicable] [The Notes are to be consolidated and form a single Series with the [insert title of relevant series of Notes] issued on [insert issue date] with effect from [insert date on which the Notes become fungible].] *(N.B. Only applicable in relation to Notes which are fungible with an existing series of Notes)*

12. Type of Notes:

(a) Redemption/Payment Basis:

[Redemption at par]

[[specify] per cent. of Nominal Amount]

[Index Linked]

[Share Linked]

[ETI Linked]

[Debt Linked]

[Commodity Linked]

[Inflation Index Linked]

[Currency Linked]

[Fund Linked]

[Futures Linked]

[Interest Rate Linked]

[Credit Linked]

[Hybrid Linked]

[Instalment]

[Physical Delivery]

[and Dual Currency Redemption]

*[If the Notes are Dual Currency Redemption Notes, another Redemption/Payment Basis must always be specified.]*

(b) Interest Basis:

[[•] per cent. Fixed Rate – see 45(b) below]

[[EURIBOR/SONIA/SOFR/€STR/SARON]

+/- [•] per cent. Floating Rate (further particulars specified below at item 45(c))]

[Fixed Rate and Floating Rate (further particulars specified below at item 45(b) and 45(c))]

[Structured Rate (further particulars specified below at item 45(d))]

[and Dual Currency (further particulars specified below at item 26)] *[If the Notes are Dual Currency Interest Notes, another Interest Basis must always be specified.]*

[Non-interest bearing]

(c) The Notes are [Index Linked Notes/Share Linked Notes/ETI Linked Notes/Debt Linked Notes/Commodity Linked Notes/Inflation Index Linked Notes/Currency Linked Notes/Fund Linked Notes/Futures Linked Notes/Interest Rate Linked Notes/Credit Linked Notes/Hybrid Notes].

(d) [The provisions of Annex 2 (Additional Terms and Conditions for Index Linked Notes) shall

**FORM OF FINAL TERMS**

apply.] [The provisions of Annex 3 (Additional Terms and Conditions for Share Linked Notes) shall apply.] [The provisions of Annex 4 (Additional Terms and Conditions for ETI Linked Notes) shall apply.] [The provisions of Annex 5 (Additional Terms and Conditions for Debt Linked Notes) shall apply.] [The provisions of Annex 6 (Additional Terms and Conditions for Commodity Linked Notes) shall apply.] [The provisions of Annex 7 (Additional Terms and Conditions for Inflation Index Linked Notes) shall apply.] [The provisions of Annex 8 (Additional Terms and Conditions for Currency Linked Notes) shall apply.] [The provisions of Annex 9 (Additional Terms and Conditions for Fund Linked Notes) shall apply.] [The provisions of Annex 10 (Additional Terms and Conditions for Futures Linked Notes) shall apply.] [The provisions of Annex 11 (Additional Terms and Conditions for Interest Rate Linked Notes) shall apply] [The provisions of Annex 12 (Additional Terms and Conditions for Credit Linked Notes) shall apply.] [The provisions of Annex [2/3/4/5/6/7/8/9/10/11/12] (Additional Terms and Conditions for [Index/Share/ETI/Debt/Commodity/Inflation Index/Currency/Fund/Futures/Interest Rate/Credit] Linked Notes)]

[Unwind Costs: [Applicable]/[Not applicable]]

[Essential Trigger: Applicable]

13. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on [ ] days' notice] / [at any time] / [in the limited circumstances specified in the Permanent Global Note]]
- [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice,]
- [Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.] [TEFRA C Rules shall apply.] [TEFRA D Rules shall apply.]
- [The Notes will be issued and held in dematerialised form by [*Euronext Securities Milan ("Italian Dematerialised Notes")*]/ include the name of any other custodian appointed by the relevant Issuer], as Centralised Custodian.]
- [CREST Dematerialised Notes]
14. New Global Note form: [Yes/No]<sup>11</sup>
15. Business Day Centre(s): The applicable Business Day Centre[s] for the purposes of the definition of "Business Day" in Base Condition 3 [is/are] [●]/[T2]/[U.S. Government Securities Business Day].
16. Settlement: Settlement will be by way of [cash payment (Cash Settled Notes)] [and/or] [physical delivery (Physical Delivery Notes)]. (*N.B. Italian Dematerialised Notes may only be Cash Settled Notes*)

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<sup>11</sup> To be elected "yes" opposite "New Global Note form" if it has been elected "yes" to the Section in Part B under the heading "Operational Information" entitled "New Global Note intended to be held in a manner which would allow Eurosystem eligibility"

[Physical Settlement according to Base Condition 12.1: Applicable] / [Alternative Physical Settlement: Applicable]

[Issuer's Option to Substitute: Not applicable]

**17.** Rounding Convention for Cash Settlement Amount: [Rounding Convention 2]/[Not applicable]

**18.** Variation of Settlement:

(a) Issuer's option to vary settlement: The Issuer [has/does not have] the option to vary settlement in respect of the Notes. *(N.B. the Issuer's option to vary settlement is not applicable to Italian Dematerialised Notes)*

*(N.B. If the Issuer does not have the option to vary settlement in respect of the Notes, delete the sub-paragraph (b) of this item 18)*

(b) [Variation of Settlement of Physical Delivery Notes: Notwithstanding the fact that the Notes are Physical Delivery Notes, the Issuer may make payment of the Cash Settlement Amount on the Maturity Date and the provisions of Base Condition 4.3 will apply to the Notes/The Issuer will procure delivery of the Entitlement in respect of the Notes and the provisions of Base Condition 4.3 will not apply to the Notes.]

**19.** Redenomination: [Applicable][Not applicable]

**20.** FX Settlement Disruption Event Determination: [Applicable][Not applicable]

[FX Settlement Disruption Expenses: Not applicable]

21. Cash Settlement: [Applicable] [Not applicable]

*(N.B. Only applicable in relation to Cash Settled Notes.)*

(a) Guaranteed Cash Settlement Amount: [Not applicable] [ ] [As specified in Base Condition 2]

(b) Maximum Amount [Not applicable] [ ]

(c) Minimum Amount [Not applicable] [ ]

22. Final Payout

*(in case the relevant Final Payout contain an "Additional Final Payout" and/or an "Additional Final Payout 1" and/or an "Additional Final Payout 2", repeat all the relevant items in the Final Terms necessary to calculate such additional final payouts)*

*(in case the Payout Switch is specified as applicable, repeat all the relevant items in the Final Terms necessary to calculate such Switched Payout)*

**[SFP Payouts**

**[[Capital Protection Notes:**

[Single Final Payout - Protected Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1 (a).]]*

[Single Final Payout - Protected Capped Notes]

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(b).]]*

**[Yield Enhancement Notes:**

[Single Final Payout - Parity and Exchange Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(c).]*

[Single Final Payout – Double Coupon Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(d).]*

[Single Final Payout - Continuous Double Coupon Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(e).]*

[Single Final Payout - Leveraged Capped Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(f).]*

[Single Final Payout - Knock-Out Leveraged Capped Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(g).]*

[Single Final Payout - Strike-Out Leveraged Capped Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(h).]*

[Single Final Payout - Capped Speed Notes



*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(i).]*

[Single Final Payout - Capped Bonus Parity Exchange Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(j).]*

[Single Final Payout - Capped Bonus Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(k).]*

[Single Final Payout - Reverse Capped Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(l).]*

[Single Final Payout - Continuous Capped Bonus Parity Exchange Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(m).]*

[Single Final Payout - Continuous Capped Bonus Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(n).]*

[Single Final Payout - Standard Express Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(o).]*

[Single Final Payout – Continuous Reverse Level Parity Exchange Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(p).]*

[Single Final Payout - Standard Step Memory Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(q).]*

[Single Final Payout - Standard Memory Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(r).]*

**[Participation Notes:**

[Single Final Payout - Forex DivReinvested Fees Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(s).]*

[Single Final Payout - Continuous Bonus Floored Exchange Parity Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(t).]*

[Single Final Payout - Continuous Bonus Floored Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(u).]*

[Single Final Payout - Continuous Capped Reverse Level Parity Exchange Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(v).]*

[Single Final Payout - Upside and Downside Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(w).]*

[Single Final Payout - Capped Upside and Downside Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(x).]*

[Single Final Payout - Continuous Bonus Barrier Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(y).]*

[Single Final Payout - Capped Continuous Bonus Barrier Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(z).]*

**[Leverage Notes:**

[Single Final Payout - Lower Collared Knock-Out Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(aa).]*

[Single Final Payout - Upper Collared Knock-Out Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(bb).]*

[Single Final Payout - Continuous Lower Knock-Out Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(cc).]*

[Single Final Payout - Continuous Upper Knock-Out Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(dd).]*

[Single Final Payout – Standard Call and Put Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(ee).]*

[Single Final Payout - Knock-In Call and Put Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(ff).]*

[Single Final Payout - Capitalised Call and Put Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(gg).]*

**[Constant Leverage Notes:**

[Single Final Payout - Leverage Factor Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(hh).]*

[Maturity Extension: [Applicable]]

*[If Maturity Extension is specified as "Applicable":*

Maturity Extension Notice Period:

Maximum Notice Period: *[specify]*

Minimum Notice Period: *[specify]*

[Reverse Split: [Applicable]

*[If Reverse Split is specified as "Applicable":*

Reverse Split Notice Period:

Maximum Notice Period: *[specify]*

Minimum Notice Period: *[specify]*

*(If "Reverse Split" is specified as "Applicable" insert related provisions from Base Condition 8.10.)]*

**[MFP Payouts**

**[Multiple Final Payout – Constant Percentage Notes:**

[Multiple Final Payout – Constant Percentage Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(ii).]*

**[Multiple Final Payout – Normal Performance Notes:**

[Multiple Final Payout – Normal Performance Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(jj).]*

**Multiple Final Payout - Performance Differential Notes:**

[Multiple Final Payout - Performance Differential Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(kk).]*

[Multiple Final Payout – 1-Way Floor Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(ll).]*

[Multiple Final Payout – 1-Way Cap Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(mm).]*

[Multiple Final Payout – 2-Way Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(nn).]*

**[Multiple Final Payout – Reverse Convertible Notes:**

[Multiple Final Payout – KI –Reverse Convertible Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(oo)(i).]*

[Multiple Final Payout – KI – Extended Reverse Convertible Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(oo)(ii).]*

[Multiple Final Payout – KO – Extended Reverse Convertible Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(oo)(iii).]*

[Multiple Final Payout – KO –Reverse Convertible Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(oo)(iv).]*

[Multiple Final Payout – Vanilla KI Reverse Convertible Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(oo)(v).]*

[Multiple Final Payout – Vanilla KO Reverse Convertible Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(oo)(vi).]*

[Multiple Final Payout –KIKO Reverse Convertible Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(oo)(vii).]*

[Multiple Final Payout – KIKO Extended Reverse Convertible Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(oo)(viii).]*

**[Multiple Final Payout - Vanilla Notes:**

[Multiple Final Payout – Plain Vanilla Call Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(pp)(i).]*

[Multiple Final Payout – Plain Vanilla Call Spread Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(pp)(ii).]*

[Multiple Final Payout – Plain Vanilla Put Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(pp)(iii).]*

[Multiple Final Payout – Plain Vanilla Put Spread Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(pp)(iv).]*

[Multiple Final Payout – Plain Vanilla KI Digital Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(pp)(v).]*

[Multiple Final Payout – Plain Vanilla KO Digital Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(pp)(vi).]*

[Multiple Final Payout – Geared Knock-in Vanilla Call Notes:



*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(pp)(vii).]*

[Multiple Final Payout – Geared Knock-out Vanilla Call Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(pp)(viii).]*

**[Multiple Final Payout - Asian Notes:**

[Multiple Final Payout – Standard Asian Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(qq)(i).]*

[Multiple Final Payout – Standard Collared Asian Spread Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(qq)(ii).]*

[Multiple Final Payout Standard Himalaya Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(rr).]*

[Multiple Final Payout – Dispersion Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(ss).]*

**[Multiple Final Payout - Step Notes:**

[Multiple Final Payout - 3-Step Knock-in Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(i).]*

[Multiple Final Payout - 3-Step Plus Knock-in Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(ii).]*

[Multiple Final Payout - 3-Step Extended Knock-in Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(iii).]*

[Multiple Final Payout - 3-Step Knock-out Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(iv).]*

[Multiple Final Payout - 3-Step Plus Knock-out Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(v).]*

[Multiple Final Payout - 3-Step Extended Knock-out Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(vi).]*

[Multiple Final Payout – 4-Step Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(vii).]*

[Multiple Final Payout – 4-Step Extended Notes

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(viii).]*

[Multiple Final Payout - Standard 3-Step Knock-in Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(ix).]*

[Multiple Final Payout - Standard 3-Step Knock-out Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(x).]*

[Multiple Final Payout - Standard 2-Step Barrier Down Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(xi).]*

[Multiple Final Payout - Standard 2-Step Barrier Up Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition (tt)(xii).]*

[Multiple Final Payout - 2-Step Knock-in Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(xiii).]*

[Multiple Final Payout - 2-Step Knock-out Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(tt)(xiv).]*

**[Multiple Final Payout - Performance Notes:**

[Multiple Final Payout - Geared Call Performance Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(uu)(i).]*

[Multiple Final Payout - Multi Performance Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(uu)(ii).]*

[Multiple Final Payout – (Capped) Multi Knock-Out Bonus Performance Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(uu)(iii).]*

[Multiple Final Payout – (Capped) Multi Knock-In Bonus Performance Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(uu)(iv).]*

[Multiple Final Payout – 2–Step KI Multi Bonus Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(uu)(v).]*

[Multiple Final Payout – 3–Step Multi Bonus Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(uu)(vi).]*

[Multiple Final Payout – 3–Step Flexi Bonus Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(uu)(vii).]*

[Multiple Final Payout – (Capped) Knock-Out Bonus  
Performance Notes:

*[Insert formula, relevant value(s) and other related  
provisions from Formulas Condition 1.1(uu)(viii).]*

[Multiple Final Payout – (Capped) Knock – In Bonus  
Performance Notes:

*[Insert formula, relevant value(s) and other related  
provisions from Formulas Condition 1.1(uu)(ix).]*

[Multiple Final Payout – Leveraged Performance  
Notes:

*[Insert formula, relevant value(s) and other related  
provisions from Formulas Condition 1.1(uu)(x).]*

[Multiple Final Payout – Twin -Win Notes:

*[Insert formula, relevant value(s) and other related  
provisions from Formulas Condition 1.1(vv).]*

[Multiple Final Payout – Knock-In Outperformance  
Notes:

*Insert formula, relevant value(s) and other related  
provisions from Formulas Condition 1.1(wv).]*

[Multiple Final Payout – Flexi Performance Notes:

*Insert formula, relevant value(s) and other related  
provisions from Formulas Condition 1.1(xx).]*

[Multiple Final Payout – Hyper-Flexi Performance  
Notes:

*Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(yy).]]*

[Multiple Final Payout – Flexi Knock-In Performance Notes:

*Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(zz).]]*

[Multiple Final Payout – Flexi Knock-Out Performance Notes:

*Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(aaa).]]*

[Multiple Final Payout – Hyper-Flexi Knock-In Performance Notes:

*Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(bbb).]]*

[Multiple Final Payout – Hyper-Flexi Knock-Out Performance Notes:

*Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(ccc).]]]*

[Multiple Final Payout – Hyper-Flexi Multi Knock-In Performance Notes:

*Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(ddd).]]]*

[Multiple Final Payout – Hyper-Flexi Multi Knock-out Performance Notes

*Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(eee).]]]*

[Multiple Final Payout – Capped and Floored Ratchet Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(fff).]]*

[Multiple Final Payout – Weighted Mixed Payouts Notes:

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 1.1(ggg).]]*

[Multiple Final Payout – Knock-In Mixed Payouts Notes:

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 1.1(hhh).]]*

[Multiple Final Payout – Knock-out Mixed Payouts Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(iii).]]*

[Multiple Final Payout – Max Mixed Payouts Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(jjj).]]*

[Multiple Final Payout – Leveraged Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(kkk).]]*

[Multiple Final Payout – Best Entry Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(lll).]]*

**[Single Fixed Income (FI) Final Payouts**

[Single FI FX Vanilla Notes:

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 1.1(mmm).]*

[Single FI Digital Floor Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(nnn).]*

[Single FI Digital Cap Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(ooo).]*

[Single FI Digital Plus Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(ppp).]*

[Continuous FX Wedding Cake Notes:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 1.1(qqq).]*

[Single FI Inflation Notes:

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 1.1(rrr).]*

[[Structuring Fee Deduction: Applicable]

*[Insert formula/amend formula according to provisions from Formulas Condition 1.3.]*

23. [Payout Switch:

[Applicable / Not applicable]



(a) Payout Switch Election [Applicable / Not applicable]

*[If applicable Insert related provisions from Conditions]*

(b) Automatic Payout Switch [Applicable / Not applicable]

*[If applicable Insert related provisions from Conditions]*

(c) Target Switch Payout: [Applicable / Not applicable]

*[If applicable Insert related provisions from Conditions]*

24. Entitlement: [Applicable/Not applicable/Physical Delivery Option [1/2/3]]

[MFP Entitlement Amounts: Applicable]

(a) [The Entitlement Amount in relation to each Note is:

[an amount equal to [•]]

[Entitlement Units; multiplied by the Entitlement Multiplier; [multiplied by the Weighting]; *(if MFP Entitlement Amounts is not Applicable)*]

[Delivery of Worst-Performing Underlying applicable:

*[Insert related provisions from Formulas Condition 6.1(a).]*

[Delivery of Best-Performing Underlying applicable:

*[Insert related provisions from Formulas Condition 6.1(b).]*

[Delivery of the Underlying applicable:

*[Insert related provisions from Formulas Condition 6.1(c).]*

- (b) [Relevant Asset(s): [The relevant asset to which the Notes relate [is/are] [•].]/[Not applicable] *(N.B. Only applicable in relation to Physical Delivery Notes that are not Credit Linked Notes)*]
- (c) [Entitlement Units: [[ ] unit[s] of the Relevant Asset[s] relating to the [Component which is [ ] [Underlying Reference] *(where the intention is to deliver a basket, insert details of the units of the Relevant Asset[s] relating to each Component)*; [ ] / [Not applicable] *(Not applicable where Entitlement stated above and definition not required. Where Entitlement Units are included, insert Entitlement Multiplier below where relevant)*]
- (d) [Entitlement Multiplier: [ ] [The quotient of [the Nominal Amount] [100] [ ] (as numerator) and the Strike Level (as denominator) / [Not applicable] *(Not applicable where Entitlement stated above and definition not required. Where Entitlement Units are included, insert Entitlement Multiplier where relevant)*]
- (e) [The Entitlement will be evidenced by *[insert details of how the Entitlement will be evidenced].*]

- (f) [The Entitlement will be [delivered] [Delivered] *[insert details of the method of delivery of the Entitlement]*].
- (g) [The manner in which the Issuer will deliver the relevant Entitlement and pay the cash adjustment and the dividends, if any, due to the Noteholder is detailed below: [●].] / [[Subject to payment of any Expenses, the Entitlement will be delivered[, and any relevant cash adjustments will be made,] in accordance with the settlement procedures of the Clearing System [applicable at the time of delivery]] / [●]] (*Applicable where “Alternative Physical Settlement” is specified as applicable. To include the relevant methods of delivery/payment of the assets/amounts due*)

*(N.B. Only applicable in relation to Physical Delivery Notes)*

**25. Exchange Rate**

[The applicable rate of exchange for conversion of any amount into the relevant [settlement currency]/[Settlement Currency or Calculation Currency, as applicable]<sup>12</sup> for the purposes of determining the [Settlement Price (as defined in the relevant Annex to the Terms and Conditions)[,] [or] the Cash Settlement Amount (as defined in Base Condition 3)[,] [or] [the Automatic Early Redemption Amount (as defined in Base Condition 8.5)] [,] [or][the Interest Amount(s)] is *[insert rate of exchange and details of how and when such rate is to be ascertained]/[specify]/[Not applicable]*].

**26. Settlement Currency:**

[[Dual Currency Notes: Applicable.] The settlement currency for the payment of [the Cash Settlement Amount] (*in the case of Cash Settled Notes*)/[the

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<sup>12</sup> Insert where Single Final Payout – Leverage Factor Notes is applicable

Settlement Disruption Amount] (*in the case of Physical Delivery Notes*) is [●].

[Settlement Currency Barrier Selection:  
[Applicable/Not applicable]

[*If Settlement Currency Barrier Selection is applicable:*

Applicable to: [Cash Settlement Amount] [and] [[Interest Amount]]

First Settlement Currency: [*specify*]

Second Settlement Currency: [*specify*]

Settlement Currency Barrier Condition: [Less than]/[Less than or equal to]/[Greater than]/[Greater than or equal to]

Settlement Price Date(s): [*specify*]

Settlement Currency Barrier Rate(s): [*specify*]

27. Calculation Agent:

The Calculation Agent is [●] / [Mediobanca Banca di Credito Finanziario S.p.A.] / (*specify other*).

[*Insert address of Calculation Agent*] / [Piazzetta E. Cuccia, 1, 20121 Milan, Italy]

28. Governing law:

[English/Italian] law. [Articles 470-1 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, are not applicable to the Notes.]

## PRODUCT SPECIFIC PROVISIONS

29. Hybrid Notes:

[Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this item 29)*

[If applicable:

- (a) The Notes are linked to each of the types of Underlying Reference (each a "**Type of Underlying Reference**") set out in the table below. The terms and conditions of the Notes will be construed on the basis that in respect of each separate Type of Underlying Reference, the relevant terms applicable to each such separate Type of Underlying Reference will apply, as the context admits, separately and independently in respect of the relevant Type of Underlying Reference[, subject as provided in (b) below].

*[Include each Type of Underlying Reference]*

Type of Underlying Reference

[●] [See item [●]]

[●] [See item [●]]

[●] [See item [●]]

- (b) Hybrid Business Day [Applicable/Not applicable]

[if applicable:

**"Hybrid Business Day"** means a day which is a Scheduled Trading Day (as defined in the relevant Annex and completed in the

applicable Final Terms) for each specified Type of Underlying Reference.

*[If Hybrid Business Day is applicable, each date for valuation (e.g. valuation date, averaging date, observation date etc.) which is the subject of the Hybrid Notes provisions should be expressed to be "[●] or if that is not a Hybrid Business Day the immediately [succeeding/preceding] Hybrid Business Day"]]*

- 30.** Index Linked Notes: [Applicable/Not applicable]
- (If not applicable, delete the remaining subparagraphs of this item 30)*
- (a) Index/Basket of Indices/Index Sponsor(s): *[[Insert type of Index/Indices and] specify name of Index/Indices]*
- [specify name of Index Sponsor(s)]*
- [The [●] Index is a [Component Security]/[Multi-Exchange] Index.]<sup>13</sup>*
- (b) Index Currency: *[specify]/[Not Applicable]*
- (c) Exchange(s): *[specify]*
- (d) Related Exchange(s): *[specify]/[All Exchanges]*
- (e) Exchange Business Day: *[Single Index Basis/All Indices Basis/Per Index Basis]*
- [Exchange/Related Exchange: Applicable]*

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<sup>13</sup> Specify each Component Security Index and/or Multi-Exchange Index (if any).

- (f) Scheduled Trading Day: [Single Index Basis/All Indices Basis/Per Index Basis]  
 [Exchange/Related Exchange: Applicable]  
*(must match election made for Exchange Business Day)*
- (g) Weighting: [The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Annex 2 of the Conditions]/[specify other]. ]/[Not applicable] *(N.B. Only applicable in relation to Notes relating to a Basket of Indices)*
- (h) Settlement Price: [Official opening level]/[Official closing level]/[level at the Valuation Time]/[Index Linked Note Condition 9 (*Futures Price Valuation*) applies]  
 [First Traded Price Applicable]
- (i) Specified Maximum Days of Disruption: [[As defined in Base Condition 3]/[specify] Scheduled Trading Days].
- (j) Valuation Time: [Scheduled Closing Time]/[Any time [on the relevant Settlement Price Date /during the Observation Period.] [[●], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] *(N.B. If no time specified, the Valuation Time will be the Scheduled Closing Time)*
- (k) Redemption Valuation Date; [specify]
- (l) Redemption on Occurrence of an Index Adjustment Event: [Delayed Redemption on Occurrence of an Index Adjustment Event: [Applicable/Not applicable]

[If applicable: Principal Protected Termination Amount: [Applicable/Not applicable]]

[Highest Value: [Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Nominal Amount]

[If the Calculation Agent determines an Index Adjustment Event constitutes a force majeure, Index Linked Note Condition 3.2(c)(vi) applies]

(m) Index Correction Period: [As per Index Linked Note Condition 1/specify]

(n) Additional provisions applicable to Futures Price Valuation: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Rolling Futures Contract Notes: [Yes/No]

[Related Hedging: Not applicable]

(ii) Exchange-traded Contract: [specify]/[If the Index Linked Notes are Rolling Futures Contract Notes: Index Linked Note Condition 9.2 applies]

(iii) Delivery or expiry month: [specify]/[Not applicable]



*(Not applicable in the case of Index Linked Notes that are Rolling Futures Contract Notes)*

(iv) Period of Exchange-traded Contracts: *[specify]*/[Not applicable]

*(Only applicable in case of Index Linked Notes that are Futures Rollover Notes)*

(v) Futures or Options Exchange: *[specify]*

(vi) Futures Rollover [Date/Period]: [Not applicable]/*[specify]*

(vii) First Traded Price: [Applicable]/[Not applicable]

*[If First Traded Price is applicable: Relevant Time: [specify]]*

(viii) Relevant FTP Screen Page: *[specify]*/[Not applicable]

(ix) Relevant Futures or Options Exchange Website: *[specify]*/[Not applicable]

(x) Cut-off Time: *[specify]*/[Not applicable]

(xi) Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract: [Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract: [Applicable/Not applicable]

*[If applicable: Principal Protected Termination Amount: [Applicable/Not applicable]]*

*[Highest Value: [Applicable/Not applicable]]*

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

*[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Nominal Amount]*

[If the Calculation Agent determines a Non-Commencement or Discontinuance of an Exchange-traded Contract constitutes a force majeure, Index Linked Note Condition 9.2(vi) applies]

31. Share Linked Notes/ETI Share Linked Notes: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this item 31)*

[Share Linked Notes: [Applicable/Not applicable]]

[ETI Share Linked Notes: [Applicable/Not applicable]]

*(In the case of Hybrid Notes which are Share Linked Notes and ETI Share Linked Notes, repeat subparagraphs (a) to (v) below for Share Linked Notes and ETI Linked Notes to which the ETI Share Provisions apply, as required)*

(a) Share(s)/Share Company/Basket Company/GDR/ADR/ETI Interest/Basket of ETI Interests: *[insert type of Share(s) and Share Company/Basket Companies/ETI Interest(s) and ETI(s)]*

[GDR/ADR applicable]

[Insert details of GDR/ADR]<sup>14</sup>

[Screen Page/Exchange Code: *specify*]

[Stapled Shares applicable]

[Insert details of Stapled Shares and Stapled Share Constituents]<sup>15</sup>

[China Connect applicable [in respect of each Share in respect of which the Eligible Country is China]]<sup>16</sup>

(b) Relative Performance Basket: [Not applicable/*specify*]

*(Always specify as "Not applicable" where ETI Share Linked Notes is specified as applicable)*

(c) Share/ETI Interest Currency: [*specify*][Not applicable]

(d) ISIN of Share(s)/ETI Interest(s): [*specify*]

(e) Exchange(s): [*specify*]

(f) Related Exchange(s): [*specify*]/[All Exchanges]

(g) Exchange Business Day: [Single [Share/ETI Interest] Basis/All [Shares/ETI Interest] Basis/Per [Share/ETI Interest] Basis]

(h) Scheduled Trading Day: [Single [Share/ETI Interest] Basis/All [Shares/ETI Interest] Basis/Per [Share/ETI Interest] Basis]

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<sup>14</sup> Specify each GDR or ADR (if any). In the case of Share Linked Notes relating to a GDR/ADR, complete Share Linked Notes Final Terms as applicable for GDR/ADR reference asset(s).

<sup>15</sup> Specify each Stapled Share Constituent comprising the Stapled Shares. In the case of Share Linked Notes relating to Stapled Shares, complete Share Linked Notes Final Terms as applicable for Stapled Shares reference asset(s).

<sup>16</sup> Not applicable for ETI Share Linked Notes.

*(must match election made for Exchange Business Day)*

- (i) Weighting: [The weighting to be applied to each item comprising the Basket of [Shares/ETI Interest] to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with Annex [3]/[4]/*specify other*]. (N.B. Only applicable in relation to Notes relating to a Basket of Shares or a Basket of ETI Interests)]
- (j) Settlement Price: [Official closing price]/[Italian Securities Reference Price]<sup>17</sup>/[price at the Valuation Time]
- [AQR: Applicable. The Settlement Price is *specify*]
- (k) Specified Maximum Days of Disruption: [As defined in Base Condition 3]/*specify* Scheduled Trading Days].
- (l) Valuation Time: [Continuous monitoring] / *specify other* and the relevant time on the relevant Settlement Price Date or Averaging Date, as the case may be, is the][ Scheduled Closing Time as defined in Base Condition 3.] *specify* (N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Base Condition 3)]
- (m) Redemption Valuation Date: *specify*
- (n) Redemption on Occurrence of an Extraordinary Event: [Delayed Redemption on Occurrence of an Extraordinary Event: [Applicable /Not applicable/]
- if applicable:*

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<sup>17</sup> Do not specify "Italian Securities Reference Price" in respect of ETI Linked Notes.

Principal Protected Termination Amount:  
[Applicable/Not applicable]]

[Highest Value: [Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

*[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable:*  
Protected Amount: *[specify]* per cent. of the Nominal Amount]

[If the Calculation Agent determines that an Extraordinary Event constitute a force majeure, [Share Linked Note Condition 5.2(b)(iii) or 5.2(c)(vi)] [ETI Linked Notes Condition 12.2(b)(iii) or 12.2(c)(vi)] applies]

- |                             |   |
|-----------------------------|---|
| (o) Share Correction Period | [As per Share Linked Note Condition 1/ <i>specify</i> ] |
| (p) [Dividend Payment:      | [Applicable/Not applicable]] <sup>18</sup>              |
| (q) Listing Change:         | [Applicable/Not applicable]                             |
| (r) Listing Suspension:     | [Applicable/Not applicable]                             |
| (s) Illiquidity:            | [Applicable/Not applicable]                             |
| (t) Tender Offer:           | [Applicable/Not applicable]] <sup>19</sup>              |

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<sup>18</sup> Not applicable in respect of ETI Linked Notes.

<sup>19</sup> Only to be disapplied for Tokyo EQD Securities.

(u) [CSR Event: [Applicable/Not applicable]<sup>20</sup>

(v) [China Connect Share Disqualification: [Applicable/Not applicable]

(w) [China Connect Service Termination: [Applicable/Not applicable]]<sup>21</sup>

(x) Hedging Liquidity Event: [Applicable/Not applicable]

[Maximum Hedging Liquidity Level: [[ ] per cent.]/[As per Share Linked Note Condition 5.3]]

(y) Dividend Protection: [Applicable][Not applicable]

*[(N.B. Only applicable if Normal Performance applies to the Notes)]*

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Adjustments: If a Dividend Event occurs during the period from, the Issue Date, excluded, to the Maturity Date, included, as determined by the Calculation Agent in its sole discretion, the Calculation Agent may, in its sole and absolute discretion, adjust:

[the Strike Level, the Cap Level and the Initial Reference Level by multiplying such levels by the Adjustment Factor K (rounded to the fourth decimal digit);]

[●]

<sup>20</sup> Not applicable in respect of ETI Linked Notes.

<sup>21</sup> Only applicable if China Connect is applicable.

(ii) Cap Level [●]

(iii) Scheduled Dividend: [The Scheduled Dividend is, for each Scheduled Ex-Date specified below, an amount per Share equal to:]

Scheduled Ex-Date	Scheduled Dividend Amount
[●]	[●]
[●]	[●]

[●]

**32. ETI Linked Notes**

[Applicable/Not applicable]

*(If not applicable, delete the remaining sub-paragraphs of this item 32)*

[ETI Share Provisions: [Applicable – see item 31 (Share Linked Notes/ETI Share Linked Notes) above]/[Not applicable]]

*(If applicable and sub-paragraphs (a) to (ee) are not required for Hybrid Notes, delete sub-paragraphs (a) to (dd) and complete item 31 (Share Linked Notes/ETI Share Linked Notes) above.)*

(a) ETI/ETI Basket: [specify]

(b) ETI Interest(s): [insert type of ETI Interest(s)]

(c) ETI Related Party: [As per ETI Linked Note Condition 1]/[specify]

- (d) ETI Documents: [As per ETI Linked Note Condition 1]/[specify]
- (e) Exchange(s): [specify]/[Not applicable]
- (f) Related Exchange: [specify]/[All Exchanges]/[Not applicable]
- (g) Scheduled Trading Day: [All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
- (h) Exchange Business Day: [All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
- (i) Calculation Date(s): [As per ETI Linked Note Condition 1]/[specify]
- (j) Initial Calculation Date: [specify]/[Not applicable]
- (k) Final Calculation Date: [specify]/[Not applicable]
- (l) Hedging Date: [specify] / [Not applicable]
- (m) Investment/AUM Level: [As per ETI Linked Note Condition 1]/[specify]/[Not applicable]
- (n) Value per ETI Interest Trading Price Barrier: [As per ETI Linked Note Condition 1]/[specify]/[Not applicable]
- (o) Number of Value Publication Days: [] calendar days [] Value Business Days/[Not applicable]

[Value Business Day Centre(s): *specify*]



*(Only applicable if Number of Value Publication Days is calculated by reference to Value Business Days)*

- (p) Value Trigger Percentage: [As per ETI Linked Note Condition 1]/[specify]/[Not applicable]
- (q) Value Trigger Period: [As per ETI Linked Note 1]/[specify]/[Not applicable]
- (r) Basket Trigger Level: [As per ETI Linked Note Condition 1]/[specify]/[Not applicable]
- (s) Settlement Price/Closing Price: [Official closing price]/[Value per ETI Interest]/[price at the Valuation Time]
- (t) Weighting: [The Weighting to be applied to each ETI Interest comprising the ETI Basket is [specify]/[Not Applicable]
- (u) Valuation Time: [Scheduled Closing Time/Any time [on the relevant Settlement Price Date] / [during the Observation Period].] [The Valuation Time is [●], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] *(N.B. if no time specified, the Valuation Time will be the Scheduled Closing Time).*
- (v) Redemption Valuation Date: [specify]
- (w) Specified Maximum Days of Disruption: [As per ETI Linked Note Condition 1]/[specify]/[Not Applicable]
- (x) Additional Extraordinary ETI Event(s): [specify]/[Not applicable]

- (y) Maximum Stock Loan Rate: [The Maximum Stock Loan Rate in respect of *[specify in relation to each relevant ETI Interest]* is [●].]/[Not applicable]
- (z) ETI Interest Correction Period: [As per ETI Linked Note Condition 1]/ *[specify]*/[Not applicable]
- (aa) Termination Amount: *[specify]*/[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[Highest Value]/[Market Value]/[Monetisation Option]
- (bb) Simple Interest Spread: [As per ETI Linked Note Condition 1]/*[specify]*/[Not applicable]
- (cc) Termination Date: *[specify]*/[Not applicable]
- (dd) Delayed Redemption on Occurrence of an Extraordinary ETI Event: [Applicable/Not applicable]
- (ee) [Protected Amount: *[If Highest Value, Monetisation Option or Delayed Redemption on Occurrence of an Extraordinary ETI Event and Principal Protected Termination Amount are applicable: [specify] per cent. of the Nominal Amount]*
- 33.** Debt Linked Notes: [Applicable/Not applicable]
- (If not applicable, delete the remaining subparagraphs of this item 33)*
- (a) Debt Instruments: *[specify]* [Not applicable] [Not applicable – Synthetic Debt Instrument applies – see subparagraph (m)(iii) below] *(Not applicable if Futures Price Valuation applicable)*

- (b) Settlement Price: [As per Debt Linked Note Condition 1]/[If Future Price Valuation is “Applicable”: as per Debt Linked Note Condition 6]
- (c) Nominal Amount: [The relevant nominal amount is [●] and the Relevant Screen Page is [●].] [Not applicable]
- (Not applicable if Futures Price Valuation applicable)*
- (d) Reference Price: [The Reference Price[s] for [insert relevant Debt Instrument(s)] is/are the [bid price]/[mid price]/[offer price]/[bid yield]/[mid yield]/[offer yield].] [Not applicable]
- (Not applicable if Futures Price Valuation applicable)*
- (e) Exchange Business Day Centre(s): [specify]
- (f) Valuation Time: [specify]
- (g) Redemption Valuation Date: [specify]
- (h) Specified Maximum Days of Disruption: [[As defined in Base Condition 3]/[specify] Scheduled Trading Days.] [Not applicable] *(Not applicable if Futures Price Valuation applicable)*
- (i) Delayed Redemption on Occurrence of Debt Instrument Redemption Event: [Applicable/Not applicable]
- [If applicable:*
- Principal Protected Termination Amount: [Applicable/ Not applicable]
- [If Principal Protected Termination Amount is applicable: Protected Amount: [specify] per cent. of the Nominal Amount]]*

*(Not applicable if Futures Price Valuation applicable)*

(j) Debt Instrument Correction Period: [As per the Debt Linked Note Condition 11]/  
[specify]/[Not applicable]

*(Not applicable if Futures Price Valuation applicable)*

(k) Debt Instrument Issuer: [specify]/[Not applicable]

*(Not applicable if Futures Price Valuation applicable)*

(l) Weighting: [Not applicable/The weighting to be applied to each item comprising the Basket of Debt Instruments to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]

(i) Futures Price Valuation: [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(ii) Rolling Futures Contract Notes: [Yes/No]

(iii) Exchange-traded Contract: [Specify]/[If the Debt Linked Notes are Rolling Futures Contract Notes: Debt Linked Note Condition 7 applies]

(iv) Synthetic Debt Instrument: [Specify]/[If the Exchange-traded Contract relates to a Synthetic Debt Instrument, include description of the key terms of the synthetic debt instrument] / [Not applicable]

(v) Delivery or expiry month: [Specify]/[Not applicable]

*(Not applicable in the case of Debt Linked Notes that are Rolling Futures Contract Notes)*

(vi) Period of Exchange-traded Contracts: [Specify]/[Not applicable]

*(Only applicable in the case of Debt Linked Notes that are Rolling Futures Contract Notes)*

(vii) Futures or Options Exchange: [Specify]

(viii) Futures Rollover [Not applicable]/[Specify]  
[Date/Period]:

(ix) Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract: [Applicable/Not applicable]  
[If applicable:

Principal Protected Termination Amount: [Applicable/Not applicable]

*If Principal Protected Termination Amount is applicable: Protected Amount: [specify] per cent. of the Nominal Amount]*

(x) Daily Settlement Price Correction Period: [As per the Debt Linked Note Condition 11][Specify]

**34.** Commodity Linked Notes: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this item 34)*

(a) Commodity/Commodities/ Commodity Index/Commodity Indices: [specify Commodity/Commodities/Commodity Index/Commodity Indices]

[The Sponsor[s] of the Commodity [Index/Indices] [is/are] [●]]

(b) Pricing Date(s): [specify]

(c) Initial Pricing Date: [specify]

(d) Final Pricing Date: [specify]

(e) Commodity Reference Price: [specify]

The Price Source is/are [●]<sup>22</sup>

(f) Delivery Date: [specify]/[Not applicable]

(g) Nearby Month: [specify]/[Not applicable]

(h) Specified Price: [specify]/[Not applicable]

(i) Exchange: [specify]/[Not applicable]

(j) Disruption Fallback(s): [specify]/[As per Commodity Linked Note Condition 1]

(k) Trading Disruption: [specify]/[Not applicable]

(l) Valuation Time: [Continuous monitoring [specify other] and the relevant time on [insert relevant date(s)].][specify]

(m) Redemption Valuation Date: [specify]

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<sup>22</sup> Delete if using automated Commodity Reference Prices.

(n) Specified Maximum Days of Disruption: *[specify]* [ Commodity Business Days]<sup>23</sup>/[As per Commodity Linked Note Condition 1]

(o) Weighting: The Weighting to be applied to each item comprising the Commodity Basket is *[specify]*

(p) Rolling Futures Contract Notes: [Yes/No]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

Futures Rollover [Date/Period]: [Not applicable]/*[specify]*

(q) Settlement following Market Disruption Event or Commodity Index Adjustment Event: [Commodity Linked Note Condition 3(c)(i)/4(b)(ii)(A) applies]/[Highest Value]/[Monetisation Option]/[Market Value]

*[If Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Nominal Amount]]*

*[If the Calculation Agent determines a Market Disruption Event or Commodity Index Adjustment Event constitutes a force majeure, Commodity Linked Note Condition 3(c)(v) or 4(b)(ii)(E), respectively, applies]*

35. Inflation Index Linked Notes: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this item 35)*

(a) Inflation Index/Inflation Indices/Inflation Index Sponsor: *[specify name of inflation index/indices]*

*[specify name of inflation index sponsor(s)]*

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<sup>23</sup> Only applicable in respect of Commodity Linked Notes linked to a single Commodity.

- (b) Related Bond: [Applicable/Not applicable] *[If applicable, specify]*
- (c) Issuer of Related Bond: [Applicable/Not applicable] *[If applicable, specify]*
- (d) Fallback Bond: [Applicable/Not applicable] *[If applicable, specify]*
- (e) Related Bond Redemption Event: [Applicable/Not applicable] *[If applicable, specify]*
- (f) Settlement Price: *[specify]*
- (g) Substitute Inflation Index Level: [As determined in accordance with Annex 7 to the Conditions] *[specify]*.
- (h) Cut-off Date: In respect of a [Valuation Date], the day that is *[specify]* Business Days prior to such [Valuation Date].
- (i) Valuation Date/Redemption Valuation Date: *[specify]*
- (j) Reference Month: *[specify]*
- (k) Currency Adjustment: [Applicable/Not applicable]
- (l) Inflation Index Level Adjustment: [Applicable/Not applicable]
- (m) Index Cancellation: [Inflation Index Linked Note Condition 4.7(b)(i) applies]/[Highest Value]/[Monetisation Option]/[Market Value]



*[If Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Nominal Amount]*

[If the Calculation Agent determines an Index Cancellation constitutes a force majeure, Inflation Index Linked Note Condition 4.7(b)(v) applies]

36. Currency Linked Notes:

[Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this item 36)*

(a) Relevant Screen Page: [specify]

(b) The relevant base currency (the "**Base Currency**") is: [specify]

(c) The relevant alternative [specify]  
[currency/currencies] ([the]/[each a]  
"**Alternative Currency**") [is/are]:

(d) Weighting: [specify]/[Not applicable]

(e) Price Source: [specify]

(f) Specified Maximum Days of [specify]/[five] Scheduled Trading Days  
Disruption:

(g) Settlement Price: [specify]

(h) Valuation Time: [specify]

- (i) Redemption Valuation Date: *[specify]*
- [Currency Convention: [As per Conditions]/[Preceding Currency Convention]/[Modified Following Currency Convention]] (*N.B. Only applicable to Currency Linked Notes*)
- (j) Redemption on Occurrence of a Disruption Event: *[Illiquidity Disruption: Not applicable]*
- [Disruption Event Postponement: Not applicable]*
- [Delayed Redemption on Occurrence of a Disruption Event: [Applicable/Not applicable]]*
- [if applicable: Principal Protected Termination Amount: [Applicable/Not applicable]*
- [Highest Value: [Applicable/Not applicable]]*
- [Market Value: [Applicable/Not applicable]]*
- [Monetisation Option: [Applicable/Not applicable]]*
- [If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: *[specify]* per cent. of the Notional Amount]*
- [If the Calculation Agent determines that a Disruption Event constitutes a force majeure, Currency Linked Note Condition 3(b)(vi) applies]*
- (k) Futures Price Valuation: *[Applicable/Not applicable]*
- (If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Rolling Futures Contract Notes: [Yes/No]
- (ii) Exchange-traded Contract: [specify]/[If the Currency Linked Notes are Rolling Futures Contract Notes: Currency Linked Note Condition 6 applies]
- (iii) Currency Pair: [specify]
- (iv) ISIN: [specify]
- (v) Expiry month: [specify]/[Not applicable]
- (Not applicable in the case of Currency Linked Notes that are Rolling Futures Contract Notes)*
- (vi) Period of Exchange-traded Contract: [specify]/[Not applicable]
- (Only applicable in the case of Currency Linked Notes that are Rolling Futures Contract Notes)*
- (vii) Futures or Options Exchange: [specify]
- (viii) Futures Rollover [Date/Period]: [Not applicable]/[specify]
- (Not applicable in the case of Currency Linked Notes that are not Rolling Futures Contract Notes)*
- (ix) Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract: [Applicable/Not applicable]
- Principal Protected Termination Amount: [If applicable: [Applicable/Not applicable]]

*[If Principal Protected Termination Amount is applicable:*

Protected Amount: *[specify]* per cent. of the Nominal Amount]

(x) Daily Settlement Price Correction Period: [As per Currency Linked Note Condition 5]/*[specify]*

37. Fund Linked Notes: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this item 37)*

(a) Fund/Fund Basket/Fund Index/Fund Indices/Euro Fund: *[specify Fund/Fund Basket/Fund Index/Fund Indices/Euro Fund]*

[The Fund Index Sponsor[s] of the Fund [Index/Indices] [is/are] [•]]

[Fund Index Currency: *[specify]*]

[The [•] Fund is a Mutual Fund]

[The [•] Fund is a Hedge Fund]

[The [•] Fund is a Private Equity Fund]

[[The [•] Fund is a Euro Fund]

[The Insurance Company is *[specify]*]

Provisional Minimum Rate: *[specify website]*

Gross Rate of Return: *[specify website]*

[Floor Rate of Return: Applicable – the Floor Rate of Return is *[specify]*]

Euro Fund Business Day Centre: *[specify]*]

*(If the Euro Fund Provisions are applicable delete items 38(b) to (j) and 38(l) to (z) below and complete items 38(k) and 38(aa))*]

[SC/FM Fund Events: Applicable]

- (b) Fund Share(s): *[specify]*
- (c) Fund Documents: [As per Fund Linked Notes Condition 1]/*[specify]*
- (d) Fund Business Day: [All Fund Share Basis/Per Fund Share Basis/Single Fund Share Basis]
- (e) Maximum Days of Disruption: [As per Fund Linked Note Condition 1]/*[specify]*
- (f) Fund Service Provider: [As per Fund Linked Note Condition 1]/*[specify]*
- (g) Calculation Date(s): [As per Fund Linked Note Condition 1]/*[specify]*
- (h) Initial Calculation Date: [As per Fund Linked Note Condition 1]/*[specify]*
- (i) Final Calculation Date: *[specify]*
- (j) Redemption Valuation Date: *[specify]*
- (k) Hedging Date: *[specify]*

- (l) AUM Level: [As per Fund Linked Note Condition 1]/[specify]
- (m) NAV Trigger Percentage: [As per Fund Linked Note Condition 1]/[specify]
- (n) NAV Trigger Period: [As per Fund Linked Note Condition 1]/[specify]
- (o) Number of NAV Publication Days: [As per Fund Linked Note Condition 1]/[specify]
- (p) Basket Trigger Level: [As per Fund Linked Note Condition 1] [specify]
- (q) Termination Amount: [Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[Specify]/[Market Value]/[Highest Value]/[Monetisation Option]
- [Fund Event *Force Majeure*: Applicable]
- (r) Simple Interest Spread: [As per Fund Linked Note Condition 1]/[specify]
- (s) Termination Date: [As per Fund Linked Note Condition 1] [specify]
- (t) Delayed Redemption on Occurrence of an Extraordinary Fund Event: [Applicable/Not applicable]
- (u) Delayed Payment Cut-off Date: [As per Fund Linked Note Condition 1]/[specify]
- (v) Fund Event *Force Majeure*: [Applicable/Not applicable]
- (w) Settlement Price: [NAV per Fund Share][The sum of the values calculated in respect of each Basket Component as the

NAV per Fund Share of such Basket Component multiplied by the relevant Weighting]

(x) [Weighting: The Weighting to be applied to each Fund Share comprising the Fund Basket is *[specify]*]

(y) [Protected Amount: *[If Highest Value, Monetisation Option or Delayed Redemption on Occurrence of an Extraordinary Fund Event and Principal Protected Termination Amount are applicable: [specify] per cent. of the Nominal Amount]*]

(z) Redemption on Occurrence of a Fund Index Adjustment Event: [Delayed Redemption on Occurrence of a Fund Index Adjustment Event: [Applicable/Not applicable]]

*[If applicable: Principal Protected Termination Amount: [Applicable/Not applicable]]*

[Highest Value: [Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

*[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Nominal Amount]*

[If the Calculation Agent determines a Fund Index Adjustment Event constitutes a force majeure, Fund Linked Note Condition 6(iv)(F) applies]]

(aa) [Redemption on Occurrence of an Extraordinary Euro Fund Event: [Delayed Redemption on Occurrence of an Extraordinary Euro Fund Event: [Applicable/Not applicable]]

*[If applicable: Principal Protected Termination Amount: [Applicable/Not applicable]]*

*[If Delayed Redemption on Occurrence of an Extraordinary Euro Fund Event and Principal Protected Termination Amount are applicable: Protected Amount: [specify] per cent. of the Nominal Amount]]*

38. Futures Linked Notes:

[Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this item 38)*

(a) Future(s):

*[insert type of Future(s)]*

(b) Exchange(s):

*[specify]*

(c) Exchange Business Day:

[Single Future Basis/All Futures Basis/Per Futures Basis]

(d) Scheduled Trading Day:

[Single Future Basis/All Futures Basis/Per Futures Basis]

*(must match election made for Exchange Business Day)*

(e) Settlement Price:

[Official closing price]/[price at the Valuation Time]

(f) Weighting:

[The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with Annex 10 to the Conditions]/[specify other]./[Not applicable] (N.B. Only applicable in relation to Notes relating to a Basket)



(g) Specified Maximum Days of Disruption: [As defined in Base Condition 3]/[*specify*] Scheduled Trading Days].

(h) Valuation Time: [Continuous monitoring [*specify other*] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Base Condition 3.] [*specify*] (*N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Base Condition 3*)]

(i) Redemption Valuation Date: [*specify*]

(j) Futures Correction Period: [As per Futures Linked Note Conditions 1]/[*specify*]

(k) Redemptpion on Occurrence of a Futures Adjustment Event: [Delayed Redemption on Occurrence of Futures Adjustment Event: [Applicable/Not applicable]

[*if applicable:*

Principal Protected Termination Amount: [Applicable/Not applicable]]

[Highest Value: [Applicable/Not applicable]]

[Market Value: [Applicable]/[Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

[*If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: [*specify*] per cent. of the Nominal Amount]*

[If the Calculation Agent determines a Futures Adjustment Event constitutes a force majeure, Futures Linked Note Condition 3.1(b)(vi) applies]

39. Credit Linked Notes:

[Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this item 39)*

[(A) Combination Credit Linked Notes:  
Credit Component 1:

[Principal Component/Interest Component/Principal and Interest Component] *(Include if principal and interest have different credit-linkage, delete otherwise)*

[Component Percentage: [●]%] *(Include if portions of principal and/or interest have different credit linkage)*

(a) Type of Credit Linked Notes: *(Specify all that apply)*

(i) Single Reference Entity Credit  
Linked Notes:

[Applicable] [Not applicable]

(ii) Nth-to-Default Credit Linked  
Notes:

[Applicable] [Not applicable]

*(Delete below if not applicable)*

[N: [●]]

Multiple Default Trigger: [Applicable/Not applicable]

[M: [●]]

Substitution: [Applicable] [Not applicable]

(iii) Zero Recovery Credit Linked Notes: [Applicable] [Not applicable]

(iv) Basket Credit Linked Notes: [Applicable] [Not applicable]

*(Delete below if not applicable)*

Distribution End Date: [•] [Not applicable]

[For this purpose, [Distribution Period Redemption] [Redemption at Maturity] [Distribution Period Event Determination Date Disapplication] shall apply. ]]

(v) Tranched Credit Linked Notes: [Applicable] [Not applicable]

*(Delete below if not applicable)*

[Attachment Point: [•]

Exhaustion Point: [•]

Incurred Recoveries: [Applicable/Not applicable]]

(b) Credit Linkage

(i) Reference Entity(ies): [[•]/As specified in the Exhibit to the Final Terms]  
*(Delete if Credit Linked Notes are linked to an index of Reference Entities)*

[Index Credit Linked Notes:

Relevant Annex: [•]

Index Sponsor: [•]] *(Include if Credit Linked Notes are linked to an index of Reference Entities)*

- (ii) Transaction Type: [Standard North American Corporate]/[Standard European Corporate]/[Standard European Financial Corporate]/[Standard European CoCo Financial Corporate]/[Standard European Senior Non-Preferred Financial Corporate]/[Standard Subordinated European Insurance Corporate]/[Standard Emerging European Corporate LPN]/[Standard Emerging European Corporate]/[Standard Latin American Corporate BL]/[Standard Australia [Financial Corporate]/[Standard New Zealand [Financial Corporate]/[Standard Japan [Financial Corporate]/[Standard Singapore [Financial Corporate]/[Standard Asia [Financial Corporate]/[Standard Sukuk Corporate]/[Standard Western European Sovereign]/[Standard Latin America Sovereign]/[Standard Emerging European & Middle Eastern Sovereign]/[Standard Australia Sovereign]/[Standard New Zealand Sovereign]/[Standard Japan Sovereign]/[Standard Singapore Sovereign]/[Standard Asia Sovereign]/[Standard Sukuk Sovereign]/[Standard U.S. Municipal Full Faith and Credit]/[Standard U.S. Municipal General Fund]/[Standard U.S. Municipal Revenue]/[●]/[As specified in the Relevant Annex]
- (iii) Reference Entity Notional Amount: [[With respect to [•]: (*Delete if single Reference Entity, specify in respect of each entity if multiple Reference Entities*)] [●]/[As per the Credit Linked Note Conditions]/[As specified in the Exhibit to the Final Terms] [As specified in the Relevant Annex]
- (iv) Reference Entity Weighting: [●]/[As specified in the Exhibit to the Final Terms]/[As specified in the Relevant Annex] [Not applicable]
- (v) Reference Obligation(s): [Applicable/Not applicable]
- (Delete below if not applicable)*

Standard Reference Obligation: [Applicable/Not applicable]

*(Delete the below if not applicable)*

[Standard Reference Obligation as of the date of Final Terms:] *(Include if SRO is set out in Final Terms for information)*

[[With respect to [•]: *(Delete if single Reference Entity, specify in respect of each entity if multiple Reference Entities)*]:

Primary obligor: [●]

Guarantor of the Reference Obligation: [●]

Maturity of the Reference Obligation: [●]

Coupon of the Reference Obligation: [●]

CUSIP/ISIN of the Reference Obligation: [●]

Seniority Level: [Senior Level] [Subordinated Level]  
[●] [Not applicable]

Original issue amount of the Reference Obligation:  
[●]

/As specified in the Exhibit to the Final Terms/As specified in the Relevant Annex]

(vi) Credit Linked Interest Only: [Applicable/Not applicable] *(Do not apply for Hybrid Credit Linked Notes, where exclusive of credit linkage is expressed as an Excluded Item)*

(vii) Credit Linked Principal Only: [Applicable/Not applicable] *(Do not apply for Hybrid Credit Linked Notes, where exclusive of credit linkage is expressed as an Excluded Item)*

(c) Terms relating to Credit Event Settlement

(i) Settlement Method: [Auction Settlement]/[Auction Settlement (Leveraged)]/[Cash Settlement]/[Cash Settlement (Leveraged)]/[Physical Settlement]/[Not applicable – the Credit Linked Notes are Zero Recovery Credit Linked Notes]

[Principal Protection Level: [[•]%/Not applicable]]  
*(May be deleted if principal protection is not applicable)*

[Leverage: [[•]/Not applicable]] *(Include only if Auction Settlement (Leveraged) or Cash Settlement (Leveraged) is applicable as the Settlement Method)*

[Terms relating to Cash Settlement:

Final Price: [•]%/As per the Credit Linked Note Conditions]

Quotation Amount: [•]/As per the Credit Linked Note Conditions]

Minimum Quotation Amount: [•]/As per the Credit Linked Note Conditions

Credit Event Cash Settlement Date: [•]/As per the Credit Linked Note Conditions] *(Include if Cash Settlement is applicable as the Settlement Method)*

[Terms relating to Cash Settlement (Leveraged):

Final Price: [•]%/As per the Credit Linked Note Conditions]

Quotation Amount: [•]/As per the Credit Linked Note Conditions]

Minimum Quotation Amount: [•]/As per the Credit Linked Note Conditions

Credit Event Cash Settlement Date: [•]/As per the Credit Linked Note Conditions] *(Include if Cash Settlement (Leveraged) is applicable as the Settlement Method)*

[Terms relating to Physical Settlement:

Physical Settlement Period: [•]/As per the Credit Linked Note Conditions] *(Include if Physical Settlement applicable as the Settlement Method)*

[Fallback Settlement Method: [Cash Settlement/Physical Settlement/Not applicable]

[Terms relating to Fallback Cash Settlement:

Final Price: [•]%/As per the Credit Linked Note Conditions]

Quotation Amount: [•]/As per the Credit Linked Note Conditions]

Minimum Quotation Amount: [•]/As per the Credit Linked Note Conditions

Credit Event Cash Settlement Date: [•]/As per the Credit Linked Note Conditions] *(Include if Cash Settlement applicable as the Fallback Settlement Method)*

[Terms relating to Fallback Physical Settlement:

Physical Settlement Period: []/As per the Credit Linked Note Conditions] *(Include if Physical Settlement applicable as the Fallback Settlement Method)*

(ii) Credit Unwind Costs: [Applicable/Not applicable]

(iii) Settlement at Maturity: [Applicable/Not applicable]

(iv) Settlement Currency [As per the Credit Linked Note Conditions/[]]

(d) Miscellaneous Credit Terms

(i) Merger Event: [Applicable/Not applicable]

*(Delete below if not applicable)*

[Merger Event Redemption Date: []]

Merger Type: [Reference Entity/ Holders Merger][Reference Entity/ Issuer Merger]

(ii) Credit Event Backstop Date [As per the Credit Linked Note Conditions] [The date that is 60 calendar days prior to the Issue Date] [Issue Date] []

(iii) Credit Observation Period End Date: [Applicable: []] [Not applicable]

(iv) Principal Protection Level: []

(v) CoCo Supplement: [Applicable/Not applicable/As specified in the Exhibit to the Final Terms/As set out in the Relevant Annex/As per the Transaction Type]



*[Delete if CoCo Supplement is not applicable]*

[Trigger Percentage: [●] [As specified in the Exhibit to the Final Terms] [As specified in the Relevant Annex] [As per the Credit Linked Note Conditions]]

(vi) LPN Reference Entities: [Applicable/Not applicable/[●]/As specified in the Exhibit to the Final Terms/As specified in the Relevant Annex/As per the Transaction Type]

(vii) NTCE Provisions: [Applicable/Not applicable/As specified in the Exhibit to the Final Terms/As specified in the Relevant Annex/As per the Transaction Type]

[Where NTCE Provisions are applicable:]

[Fallback Discounting: [Applicable/Not applicable/As specified in the Exhibit to the Final Terms/As specified in the Relevant Annex/As per the Transaction Type]]

[Credit Deterioration Requirement: [Applicable/.Not applicable/As specified in the Exhibit to the Final Terms/As specified in the Relevant Annex/As per the Transaction Type]]

(viii) Accrual of Interest upon Credit Event: Accrual to: [Interest Payment Date/Interest Period End Date/Event Determination Date]

(ix) Interest following Scheduled Maturity: [Deposit Rate/[●]/Not applicable]

(x) Hybrid Credit Linked Notes: [Applicable/Not applicable]

*(Delete below if not applicable)*

Event Determination Date Overrides Automatic Early

Redemption: [Applicable/Not applicable]

Credit Linked Calculation Basis: [Applicable/Not applicable]

[Excluded Items: [Item 22 (*Final Payout*) (*Include Item 22 (Final Payout) as an Excluded Item where the Final Payout overrides Item 39 (Credit Linked Notes)*)] [•]] (*Delete if not applicable*)

(xi) Bonus Coupon Credit Linked Notes: [Applicable/Not applicable]

*(Delete below if not applicable)*

[Bonus Coupon Rate: [•]]

Outstanding Bonus Coupon Rate Method:  
[Standard/Averaging]

Bonus Coupon Accrual Basis: [Running Basis/Final Payment]

Bonus Coupon Payment Date(s): [[•]/Final Settlement Date only]

Bonus Coupon Day Count Fraction: [•]

Bonus Coupon Determination Date: [•] [e.g. Two Business Days prior to Bonus Coupon Payment Date]

Bonus Coupon Attachment Point: [•]

Bonus Coupon Exhaustion Point: [•]

Bonus Coupon Implicit Portfolio Size: [•]]

(xii) Additional Credit Linked Note [Applicable/Not applicable]  
 Disruption Events:

*(Delete below if not applicable)*

[Change in Law: [Applicable/Not applicable]

Hedging Disruption: [Applicable/Not applicable]

Increased Cost of Hedging: [Applicable/Not applicable]]

(xiii) Change in Standard Terms and [Applicable/Not applicable]  
 Market Conventions:

(xiv) Hedging Link Provisions: [Applicable/Not applicable]

(xv) Calculation and Settlement [Applicable/Not applicable]  
 Suspension:

(xvi) Additional Credit Provisions: [[•]/Not applicable]

[Applicable/Not applicable]

*(Delete below if not applicable)*

[(B) Combination Credit Linked Notes: Credit [Principal Component/Interest Component/Principal  
 Component 2: and Interest Component] *(Include if principal and interest have different credit-linkage, delete otherwise)*

[Component Percentage: [●]%] *(Include if portions of principal and/or interest have different credit linkage)*

(a) Type of Credit Linked Notes: *(Specify all that apply)*

(i) Single Reference Entity Credit Linked Notes: [Applicable] [Not applicable]

(ii) Nth-to-Default Credit Linked Notes: [Applicable] [Not applicable]

*(Delete below if not applicable)*

[N: [•]]

Multiple Default Trigger: [Applicable/Not applicable]

[M: [•]]

Substitution: [Applicable] [Not applicable]

(iii) Zero Recovery Credit Linked Notes: [Applicable] [Not applicable]

(iv) Basket Credit Linked Notes: [Applicable] [Not applicable]

*(Delete below if not applicable)*

Distribution End Date: [•] [Not applicable]

[For this purpose, [Distribution Period Redemption] [Redemption at Maturity] [Distribution Period Event Determination Date Disapplication] shall apply. ]

(v) Tranched Credit Linked Notes: [Applicable] [Not applicable]

*(Delete below if not applicable)*

[Attachment Point: [•]]

Exhaustion Point: [•]

Incurred Recoveries: [Applicable/Not applicable]

(b) Credit Linkage

(i) Reference Entity(ies): [[•]/As specified in the Exhibit to the Final Terms]  
*(Delete if Credit Linked Notes are linked to an index of Reference Entities)*

[Index Credit Linked Notes:

Relevant Annex: [•]

Index Sponsor: [•] *(Include if Credit Linked Notes are linked to an index of Reference Entities)*

(ii) Transaction Type: [Standard North American Corporate]/[Standard European Corporate]/[Standard European Financial Corporate]/[Standard European CoCo Financial Corporate]/[Standard European Senior Non-Preferred Financial Corporate]/[Standard Subordinated European Insurance Corporate]/[Standard Emerging European Corporate LPN]/[Standard Emerging European Corporate]/[Standard Latin American Corporate BL]/[Standard Australia [Financial] Corporate]/[Standard New Zealand [Financial] Corporate]/[Standard Japan [Financial] Corporate]/[Standard Singapore [Financial] Corporate]/[Standard Asia [Financial] Corporate]/[Standard Sukuk Corporate]/[Standard Western European Sovereign]/[Standard Latin America Sovereign]/[Standard Emerging European & Middle Eastern Sovereign]/[Standard Australia Sovereign]/[Standard New Zealand Sovereign]/[Standard Japan Sovereign]/[Standard Singapore Sovereign]/[Standard Asia

Sovereign]/[Standard Sukuk Sovereign]/[Standard U.S. Municipal Full Faith and Credit]/[Standard U.S. Municipal General Fund]/[Standard U.S. Municipal Revenue]/[●]/[As specified in the Relevant Annex]

(iii) Reference Entity Notional Amount: [[With respect to [•]: (*Delete if single Reference Entity, specify in respect of each entity if multiple Reference Entities*)] [●]/[As per the Credit Linked Note Conditions]/[As specified in the Exhibit to the Final Terms] [As specified in the Relevant Annex]

(iv) Reference Entity Weighting: [●]/[As specified in the Exhibit to the Final Terms]/[As specified in the Relevant Annex] [Not applicable]

(v) Reference Obligation(s): [Applicable/Not applicable]

*(Delete below if not applicable)*

Standard Reference Obligation: [Applicable/Not applicable]

*(Delete the below if not applicable)*

[Standard Reference Obligation as of the date of Final Terms:] (*Include if SRO is set out in Final Terms for information*)

[[With respect to [•]: (*Delete if single Reference Entity, specify in respect of each entity if multiple Reference Entities*)]:

Primary obligor: [●]

Guarantor of the Reference Obligation: [●]

Maturity of the Reference Obligation: [●]

Coupon of the Reference Obligation: [●]

CUSIP/ISIN of the Reference Obligation: [●]

Seniority Level: [Senior Level] [Subordinated Level]  
 [●] [Not applicable]

Original issue amount of the Reference Obligation:  
 [●]

/As specified in the Exhibit to the Final Terms/As  
 specified in the Relevant Annex]

(vi) Credit Linked Interest Only: [Applicable/Not applicable] *(Do not apply for Hybrid Credit Linked Notes, where exclusive of credit linkage is expressed as an Excluded Item)*

(vii) Credit Linked Principal Only: [Applicable/Not applicable] *(Do not apply for Hybrid Credit Linked Notes, where exclusive of credit linkage is expressed as an Excluded Item)*

(c) Terms relating to Credit Event Settlement

(i) Settlement Method: [Auction Settlement] /[Auction Settlement (Leveraged)]/[Cash Settlement] /[Cash Settlement (Leveraged)]/[Physical Settlement]/[Not applicable – the Credit Linked Notes are Zero Recovery Credit Linked Notes]

[Principal Protection Level: [[●]%/Not applicable]]  
*(May be deleted if principal protection is not applicable)*

[Leverage: [[●]/Not applicable]] *(Include only if Auction Settlement (Leveraged) or Cash Settlement (Leveraged) is applicable as the Settlement Method)*

[Terms relating to Cash Settlement:

Final Price: [●]%/As per the Credit Linked Note Conditions]

Quotation Amount: [•]/As per the Credit Linked Note Conditions]

Minimum Quotation Amount: [•]/As per the Credit Linked Note Conditions

Credit Event Cash Settlement Date: [•]/As per the Credit Linked Note Conditions] *(Include if Cash Settlement applicable as the Settlement Method)*

[Terms relating to Cash Settlement (Leveraged):

Final Price: [•]/As per the Credit Linked Note Conditions]

Quotation Amount: [•]/As per the Credit Linked Note Conditions]

Minimum Quotation Amount: [•]/As per the Credit Linked Note Conditions

Credit Event Cash Settlement Date: [•]/As per the Credit Linked Note Conditions] *(Include if Cash Settlement (Leveraged) is applicable as the Settlement Method)*

[Terms relating to Physical Settlement:

Physical Settlement Period: [•]/As per the Credit Linked Note Conditions] *(Include if Physical Settlement applicable as the Settlement Method)*

[Fallback Settlement Method: [Cash Settlement/Physical Settlement/Not applicable]

[Terms relating to Fallback Cash Settlement:



Final Price: [•]/As per the Credit Linked Note Conditions]

Quotation Amount: [•]/As per the Credit Linked Note Conditions]

Minimum Quotation Amount: [•]/As per the Credit Linked Note Conditions

Credit Event Cash Settlement Date: [•]/As per the Credit Linked Note Conditions] *(Include if Cash Settlement applicable as the Fallback Settlement Method)*

[Terms relating to Fallback Physical Settlement:

Physical Settlement Period: [•]/As per the Credit Linked Note Conditions] *(Include if Physical Settlement applicable as the Fallback Settlement Method)*

- (ii) Credit Unwind Costs: [Applicable/Not applicable]
- (iii) Settlement at Maturity: [Applicable/Not applicable]
- (iv) Settlement Currency [As per the Credit Linked Note Conditions/[●]]

(d) Miscellaneous Credit Terms

- (i) Merger Event: [Applicable/Not applicable]

*(Delete below if not applicable)*

[Merger Event Redemption Date: [●]]

- Merger Type: [Reference Entity/ Holders Merger][Reference Entity/ Issuer Merger]]
- (ii) Credit Event Backstop Date [As per the Credit Linekd Note Conditions] [The date that is 60 calendar days prior to the Issue Date] [Issue Date] [●]
- (iii) Credit Observation Period End Date: [Applicable: [●]] [Not applicable]
- (iv) Principal Protection Level: [●]
- (v) CoCo Supplement: [Applicable/Not applicable/As specified in the Exhibit to the Final Terms/As set out in the Relevant Annex/As per the Transaction Type]
- [Delete if CoCo Supplement is not applicable]*
- [Trigger Percentage: [●] [As specified in the Exhibit to the Final Terms] [As specified in the Relevant Annex] [As per the Credit Linked Note Conditions]]
- (vi) LPN Reference Entities: [Applicable/Not applicable/[●]/As specified in the Exhibit to the Final Terms/As specified in the Relevant Annex/As per the Transaction Type]
- (vii) NTCE Provisions: [Applicable/Not applicable/As specified in the Exhibit to the Final Terms/As specified in the Relevant Annex/As per the Transaction Type]
- [Where NTCE Provisions are applicable:]
- [Fallback Discounting: [Applicable/Not applicable/As specified in the Exhibit to the Final Terms/As specified in the Relevant Annex/As per the Transaction Type]]

[Credit Deterioration Requirement: [Applicable/.Not applicable/As specified in the Exhibit to the Final Terms/As specified in the Relevant Annex/As per the Transaction Type]]

(viii) Accrual of Interest upon Credit Event: Accrual to: [Interest Payment Date/Interest Period End Date/Event Determination Date]

(ix) Interest following Scheduled Maturity: [Deposit Rate/[•]/Not applicable]

(x) Hybrid Credit Linked Notes: [Applicable/Not applicable]

*(Delete below if not applicable)*

Event Determination Date Overrides Automatic Early

Redemption: [Applicable/Not applicable]

Credit Linked Calculation Basis: [Applicable/Not applicable]

[Excluded Items: [Item 22 (Final Payout) (Include Item 22 (Final Payout) as an Excluded Item where the Final Payout overrides Item 39 (Credit Linked Notes))] [•]] *(Delete if not applicable)*

(xi) Bonus Coupon Credit Linked Notes: [Applicable/Not applicable]

*(Delete below if not applicable)*

[Bonus Coupon Rate: [•]]

Outstanding Bonus Coupon Rate Method: [Standard/Averaging]

Bonus Coupon Accrual Basis: [Running Basis/Final Payment]

Bonus Coupon Payment Date(s): [[•]/Final Settlement Date only]

Bonus Coupon Day Count Fraction: [•]

Bonus Coupon Determination Date: [•] [e.g. Two Business Days prior to Bonus Coupon Payment Date]

Bonus Coupon Attachment Point: [•]

Bonus Coupon Exhaustion Point: [•]

Bonus Coupon Implicit Portfolio Size: [•]

(xii) Additional Credit Linked Note [Applicable/Not applicable]  
Disruption Events:

*(Delete below if not applicable)*

[Change in Law: [Applicable/Not applicable]

Hedging Disruption: [Applicable/Not applicable]

Increased Cost of Hedging: [Applicable/Not applicable]]

(xiii) Change in Standard Terms and [Applicable/Not applicable]  
Market Conventions:

(xiv) Hedging Link Provisions: [Applicable/Not applicable]

(xv) Calculation and Settlement [Applicable/Not applicable]  
Suspension:

(xvi) Additional Credit Provisions: [[•]/Not applicable]

40. Interest Rate Linked Notes: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this item 40.)*

(a) Underlying Interest Determination Date(s): [Specify]

*(If more than one [Underlying Interest Rate] is to be determined, include the following language: "Underlying Interest Rate1:")*

(b) Manner in which the Underlying Interest Rate is to be determined: [Screen Rate Determination/ISDA Determination]

(A) Screen Rate Determination: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) [Underlying Reference Rate]: [EURIBOR] [SONIA] [SOFR] [€STR] [SARON] [CMS] [specify]

(ii) Specified Duration: [specify] [Not applicable]

(iii) Specified Time: [specify]

*(which will be 11:00 am, Brussels time, in the case of EURIBOR)*

- (iv) Observation Period: [specify] [Not applicable]
- (v) Observation Shift Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/ SIX Business Days/Not Applicable] (NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)][●] [Not Applicable]
- (vi) D: [360/365/[ ] ] / [Not Applicable]
- (vii) Relevant Screen Page: [specify]
- (viii) Relevant Currency: [specify]
- (ix) Reference Banks [specify] [Not applicable]
- (x) Relevant Financial Centre [●] [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro/other (give details))]
- (xi) Designated Maturity [specify] [Not applicable]
- (B) ISDA Determination [Applicable/Not applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) [Floating Rate Option: [specify]
- (ii) Designated Maturity: [specify]

(iii) Reset Date: [specify]]

*(N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time)*

(iv) Calculation Start Date: [●] [A day that falls [●] [weeks / months] prior to the Underlying Interest Determination Date, subject to the Business Day Convention]

(v) Overnight Floating Rate Option: [Applicable]/[Not Applicable]

(vi) Index Floating Rate Option: [Applicable]/[Not Applicable]

(vii) Overnight Rate Compounding Method: [Applicable]/[Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(I) OIS Compounding: [Applicable]/[Not Applicable]

(II) Compounding with Lookback: [Applicable Lookback: [●] Applicable Business Days]/[Not Applicable]

(III) Compounding with Observation Period Shift: [Applicable Set-in-Advance: [Applicable]/[Not Applicable] Observation Period Shift: [●] Observation Period Shift Business Days [Observation Period Shift Additional Business Days: [●]/[Not Applicable]]

/ [Not Applicable]

- (IV) Compounding with Lockout: Applicable  
 Lockout: [•] Lockout Period Business Days  
 Lockout Period Business Days: [•] / [Applicable Business Days]  
 / [Not Applicable]
- (V) Daily Capped Rate: [[•] per cent.] / [Not Applicable]
- (VI) Daily Floored Rate: [[•] per cent.] / [Not Applicable]
- (viii) Overnight Rate [Applicable]/[Not Applicable]  
 Averaging Method: *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (I) Overnight Averaging: [Applicable]/[Not Applicable]
- (II) Averaging with Lookback: [Applicable]  
 Lookback: [•] Applicable Business Days  
 / [Not Applicable]
- (III) Averaging with Observation Period Shift: [Applicable]  
 Set-in-Advance: [Applicable]/[Not Applicable]  
 Observation Period Shift: [•] Observation Period Shift Business Days  
 [Observation Period Shift Additional Business Days: [•]/[Not Applicable]]  
 / [Not Applicable]
- (IV) Averaging with Lockout: [Applicable]  
 Lockout: [•] Lockout Period Business Days  
 Lockout Period Business Days: [•] / [Applicable Business Days]  
 / [Not Applicable]
- (V) Daily Capped Rate: [[•] per cent.] / [Not Applicable]
- (VI) Daily Floored Rate: [[•] per cent.] / [Not Applicable]



- (ix) Index Method: [Applicable]/[Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (I) [All-in Compounded Index Method] Applicable
- (II) Compounded Index Method: [Applicable]/[Not Applicable]
- (III) Compounded Index Method with Observation Period Shift: [Applicable]  
 Set-in-Advance: [Applicable]/[Not Applicable]  
 Observation Period Shift: [•] Observation Period Shift Business Days  
 [Observation Period Shift Additional Business Days: [•]/[Not Applicable]]  
 /[Not Applicable]
- (x) Delayed Payment: [Applicable, with the specified number of days being [•] Business Days] / [Not Applicable]
- [Applicable]/[Not Applicable]
- (xi) ISDA Definitions Linear Interpolation:
- (c) Underlying Margin(s): [[+/-][•] per cent. per annum]/[Not Applicable]
- (d) Minimum Underlying Reference Rate: [[•] per cent. per annum]/[Not Applicable]
- (e) Maximum Underlying Reference Rate: [[•] per cent. per annum]/[Not Applicable]
- (If more than one [Underlying Interest Rate] is to be determined, include the following language: "Underlying Interest Rate2:" and repeat items 41(b) to (e)).*
- (Repeat for each Underlying Interest Rate.)*

41. [Instalment Notes:

The Notes [are/are not] Instalment Notes.

[The Instalment Notes [are/are not] Instalment Notes  
(with NA Adjustment)]

*(If the Notes are not Instalment Notes, delete the  
remaining sub-paragraphs of this item 41)*

(i) Instalment Amount(s)

[specify]

[NA × Instalment Percentage

Instalment Percentage: [●] per cent.]

*(specify Instalment Percentage in respect of each  
Instalment Date, if different.)*

(i) Instalment Date(s):

[specify]]

42. Additional Disruption Events and Optional  
Additional Disruption Events:

(a) Additional Disruption Events: [Applicable/Not  
applicable]/[[Change in Law/Hedging Disruption]  
does not apply to the Notes]

[Change in Law – Hedge Maintenance Cost: Not  
applicable]

(b) [Optional Additional Disruption Events:  
[Applicable/Not applicable]

[The following Optional Additional Disruption  
Events apply to the Notes:

*(Specify each of the following which applies. N.B.  
Optional Additional Disruption Events are  
applicable to certain Index Linked Notes, Share  
Linked Notes, ETI Linked Notes and Commodity  
Linked Notes. Careful consideration should be*

*given to whether Optional Additional Disruption Events would apply for Debt Linked Notes, Currency Linked Notes and Fund Linked Notes and, if so, the relevant definitions will require amendment.)*

[Administrator/Benchmark Event]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

*(N.B. Only applicable in the case of Share Linked Notes)*

[Cancellation Event]

*(N.B. Only applicable in the case of Debt Linked Notes)*

[Loss of Stock Borrow]

[[Stop-Loss Event]

[Stop-Loss Event Percentage: [5] per cent.]]

[Currency Event]

[Extraordinary External Event]

[Jurisdiction Event]

Hedging Arrangements: Not applicable]

[Significant Alteration Event]

[Failure to Deliver due to Illiquidity]

*(N.B. Only applicable in the case of Physical Delivery Notes – Failure to Deliver due to Illiquidity is applicable to certain Share Linked Notes. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Notes)*

[Hedging Party Default]

- (c) [The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share/Security] is [●].

*(N.B. Only applicable if Loss of Stock Borrow is applicable)]*

[The Initial Stock Loan Rate in respect of [specify in relation to each relevant Share/Security] is [●].

*(N.B. Only applicable if Increased Cost of Stock Borrow is applicable)]*

- (d) Redemption:

[Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event: [Applicable/Not applicable]

*[if applicable:*

Principal Protected Termination Amount:  
[Applicable/Not applicable]]

[Highest Value: [Applicable/Not Applicable]]

[Market Value: [Applicable]/[Not Applicable]]

[Monetisation Option: [Applicable/Not applicable]]

*[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Nominal Amount]*

43. Knock-in Event<sup>24</sup>:

[Applicable/Not applicable]

*[If applicable:*

*[specify]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"/"outside"]]*

*(If not applicable, delete the remaining subparagraphs of this item 43)*

(a) Knock-in Valuation:

[Applicable/Not applicable]

*[If applicable insert relevant provisions from Conditions]*

*[If Knock-in Valuation is not applicable and the Notes are Currency Linked Notes, specify if FX Knock-in Valuation is applicable.]*

(b) FX Knock-in Valuation:

[Applicable/Not applicable]

*[If FX Knock-in Valuation is applicable, insert relevant provisions from Conditions.]*

---

<sup>24</sup> Only applicable in relation to Index Linked Notes, Share Linked Notes, ETI Linked Notes, Commodity Linked Notes, Currency Linked Notes, Debt Linked Notes, Futures Linked Notes, Fund Linked Notes.

[FX Coupon Performance: [Applicable/Not applicable]]

[Performance Value: [Applicable/Not applicable]]

(c) Level: [Official level]/[Official close]/[last price]/[traded price]/[bid price]/[asked price]/[Standard Level]/[Not applicable]

(d) Knock-in Level/Knock-in Range Level: [*specify*][FX Knock-in Level]

*[If FX Knock-in Level is specified insert relevant provisions from Conditions]*

(e) Knock-in Period Beginning Date: [*specify*]

(f) Knock-in Period Beginning Date Day Convention: [Applicable/Not applicable]

(g) Knock-in Determination Period: [*specify*]/[See definition in Base Condition 14.7]

(h) Knock-in Determination Day(s): [*specify*]/[Each [Scheduled Trading Day/ Commodity Business Day/Fund Business Day/Business Day] in the Knock-in Determination Period]/[Each [MFP Valuation Date/MFP Valuation Date in MFP Valuation Period/MFP Valuation Date indicated as such within the Knock-in Determination Period]

(i) Knock-in Period Ending Date: [*specify*]

(j) Knock-in Period Ending Date Day Convention: [Applicable/Not applicable]

(k) Knock-in Valuation Time: *[specify/See definition in Base Condition 14.7]/[Valuation Time]/[Any time on a Knock-in Determination Day]/[Not applicable]*

(l) Knock-in Observation Price Source: *[specify]*

(m) Disruption Consequences: *[Applicable/Not applicable]*

**44.** Knock-out Event<sup>25</sup>: *[Applicable/Not applicable]*

*[If applicable:*

*[specify]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"/"outside"]]*

*(If not applicable, delete the remaining subparagraphs of this item 44)*

(a) Knock-out Valuation: *[Applicable/Not applicable]*

*[If applicable insert relevant provisions from Conditions]*

*[If Knock-out Valuation is not applicable and the Notes are Currency Linked Notes, specify if FX Knock-out Valuation is applicable.]*

(b) FX Knock-out Valuation *[Applicable/Not applicable]*

*[If FX Knock-out Valuation is applicable, insert relevant provisions from Conditions.]*

---

<sup>25</sup> Only applicable in relation to Index Linked Notes, Share Linked Notes, ETI Linked Notes, Commodity Linked Notes, Currency Linked Notes, Fund Linked Notes, Debt Linked Notes and Futures Linked Notes.

[FX Coupon Performance: [Applicable/Not applicable]]

[Performance Value: [Applicable/Not applicable]]

(c) Level: [Official level]/[Official close]/[last price]/[traded price]/[bid price]/[asked price]/[Standard Level]/[Not applicable]

(d) Knock-out Level /Knock-out Range [specify][FX Knock-out Level]  
Level:

*[If FX Knock-out Level is specified insert relevant provisions from Conditions]*

(e) Knock-out Period Beginning Date: [specify]

(f) Knock-out Period Beginning Date Day [Applicable/Not applicable]  
Convention:

(g) Knock-out Determination Period: [specify]/[See definition in Base Condition 14.7]

(h) Knock-out Determination Day(s): [specify]/[Each [Scheduled Trading Day/ Commodity Business Day/Fund Business Day/Business Day] in the Knock-out Determination Period]/[Each [MFP Valuation Date/MFP Valuation Date in MFP Valuation Period/MFP Valuation Date indicated as such within the Knock-out Determination Period]

(i) Knock-out Period Ending Date: [specify]

(j) Knock-out Period Ending Date Day [Applicable/ Not applicable]  
Convention:



(k) Knock-out Valuation Time: [specify]/[See definition in Base Condition 14.7] [Any time on a Knock-out Determination Day]/[Valuation Time]/[Not applicable]

(l) Knock-out Observation Price Source: [specify]

(m) Disruption Consequences: [Applicable/Not applicable]

**45. PROVISIONS RELATING TO INTERESTS (IF ANY) PAYABLE**

(a) Interest: [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs under this paragraph)*

*(in case Additional Coupons are provided for, repeat all the relevant items in the Final Terms necessary to calculate such Additional Coupons)*

[Coupon Switch: [Applicable / Not applicable]]

*[If applicable:*

[Coupon Switch Election: Applicable]/[Automatic Coupon Switch: Applicable]/[Target Switch Coupon: Applicable]

*[insert relevant provisions from Conditions]]*

Pre-Switch Coupon: [specify Interest Basis] - [Fixed Rate]/[Floating Rate]/[Structured Rate]: [MFP Fixed Coupon]/[MFP Floating Coupon]/[MFP Mixed Coupon]/[MFP Digital Coupon]/[MFP Additional Digital Coupon]/[MFP Double Digital Coupon]/[MFP Corridor Digital Coupon]/[MFP Memory Snowball

Digital Coupon]/[MFP Range Accrual Coupon]/[MFP – Digital Mixed Coupon]/[MFP – Double Digital Mixed Coupon]/[MFP Ratchet Coupon]/[MFP Best Entry Coupon]/[Weighted Mixed Coupon]/[Max Mixed Coupon]/[Single FX Vanilla Coupon]/[Single FI Digital Coupon]/[Single FX Digital Coupon]/[Range Accrual Coupon]/[Single FX Range Accrual Coupon]/[Single FX Memory Coupon]/[Multiple Combination Floater Coupon]/[PRDC Coupon]/[Single FI Digital Floor Coupon]/[Single FI Digital Cap Coupon]/[Single FI Target Coupon]/[Duration Adjusted Coupon]/[FX Wedding Cake Interest]/[Underlying Linked Interest]/[Differential Linked Interest] (see items [*specify*] below)

Post-Switch Coupon: [*specify Interest Basis*] - [Fixed Rate]/[Floating Rate]/[Linked Interest]: [MFP Fixed Coupon]/[MFP Floating Coupon]/[MFP Mixed Coupon]/[MFP Digital Coupon]/[MFP Additional Digital Coupon]/ [MFP Double Digital Coupon]/[MFP Corridor Digital Coupon]/[MFP Memory Snowball Digital Coupon]/[MFP Range Accrual Coupon]/[MFP – Digital Mixed Coupon]/[MFP – Double Digital Mixed Coupon]/[MFP Ratchet Coupon]/[MFP Best Entry Coupon]/[Weighted Mixed Coupon]/[Max Mixed Coupon]/[Single FX Vanilla Coupon]/[Single FI Digital Coupon]/[Single FX Digital Coupon]/[Range Accrual Coupon]/[Single FX Range Accrual Coupon]/[Single FX Memory Coupon]/[Multiple Combination Floater Coupon]/[PRDC Coupon]/[Single FI Digital Floor Coupon]/[Single FI Digital Cap Coupon]/[Single FI Target Coupon]/[Duration Adjusted Coupon]/[FX Wedding Cake Interest]/[Underlying Linked Interest]/[Differential Linked Interest] [*insert relevant provisions, replicating relevant prompts from this item and items below as applicable*]

Additional Switch Coupon: [Applicable/Not applicable] [*If applicable: [Specify]*] [Nominal Amount × [●] %]

Coupon Switch Date[s]: [*Specify*]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

[Interest Barrier Event: [Applicable/Not applicable]

*[[If applicable: [An Interest Barrier Event shall be deemed to have occurred if [●].]*

No Further Interests: [Applicable] [Not applicable]

No Interests for Interest Period: [Applicable] [Not applicable]

Interest Barrier Level: [●] with reference to [the Interest Barrier Observation Date falling on [●] / the Interest Barrier Observation Period [●]]

*(specify each Interest Barrier Level if the Interest Barrier Level varies for each Interest Barrier Observation Date or Interest Barrier Observation Period)*

[Interest Barrier Observation Date: [Not applicable] [●]

[Interest Barrier Observation Period: [Not applicable] [●]]

[Interest Payment Condition: [Applicable] [Not applicable]

*[[If applicable: [An Interest Payment Condition shall*

be deemed to have occurred if [●].

*(in case of Leveraged Notes insert related provisions from Conditions)*

[Interest Payment Condition Level: [●] [Not applicable]

*(specify each Interest Payment Condition Level if the Interest Payment Condition Level varies for each Interest Payment Condition Observation Date or Interest Payment Condition Observation Period)*

[Interest Payment Condition Observation Date(s): [●] [Not applicable]

[Interest Payment Condition Observation Period: [●] [Not applicable]

(i) Interest Period(s): *[specify]*

(ii) Interest Period End Date(s): *[specify]* / [Not applicable]

(iii) Business Day Convention for Interest Period End Date(s): [Not applicable] / [Following/Modified Following/Preceding/Modified Preceding/Not applicable] [●] *(repeat if necessary with reference to different Interest Period End Date(s))*

(iv) Interest Payment Date(s): *[specify]*

[Record Date(s): [●]]

(v) Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/Modified Preceding/Not applicable] [●] *(repeat if necessary with reference to different Interest Payment Date(s))*

*(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*

(vi) Party responsible for calculating the Interest Rate(s) and Interest Amount(s): *[specify]*/[Mediobanca – Banca di Credito Finanziario S.p.A.]

(vii) Margin(s): *[[+/-][specify]* per cent. per annum/Not applicable]

(viii) Maximum Interest Rate: *[[specify]* per cent. per annum/Not applicable]

(ix) Minimum Interest Rate: *[[specify]* per cent. per annum/Not applicable]

(x) Day Count Fraction: *[specify]*/[unadjusted]

(xi) Determination Dates: [Not applicable] / *[specify]* [in each year] *[insert regular payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.] (N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*

(xii) Interest to Redemption: [Applicable/Not Applicable] *(specify for the different Interest Periods if necessary)*

(xiii) Interest Basis: [Fixed Rate Notes]

*(If the Notes are Fixed Rate Notes, complete letter (b) accordingly)*

[Floating Rate Notes]

*(If the Notes are Floating Rate Notes, complete letter (c) accordingly)*

[Fixed Rate Notes and Floating Rate Notes]

*(If the Notes are Fixed Rate Notes and Floating Rate Notes, complete letters (b) and/or (c) accordingly)*

[Structured Rate Notes]

*(If the Notes are Structured Rate Notes, complete letters (d) to (n) accordingly)*

(xiv) Interest Rate: [Applicable/Not applicable]

*(Include one or more of the following Interest Rates Formulas if applicable):*

[MFP Fixed Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(a).]]*

[MFP Floating Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(b).]]*

[MFP Mixed Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(c).]]*

[MFP Digital Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(d).]]*

[MFP Additional Digital Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(e).]*

[MFP Double Digital Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(f).]*

[MFP Corridor Digital Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(g).]*

[MFP Memory Snowball Digital Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(h).]*

[MFP Range Accrual Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(i).]*

[MFP – Digital Mixed Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(j).]*

[MFP – Double Digital Mixed Coupon:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(k).]*

[MFP Ratchet Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(l).]*

[MFP Best Entry Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(m).]*

[Weighted Mixed Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(n).]*

[Max Mixed Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(o).]*

[Single FX Vanilla Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(p).]*

[Single FI Digital Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(q).]*

[Single FX Digital Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(r).]*

[Range Accrual Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(s).]*



*(If FI Digital Coupon is applicable, distinguish in "Rate" below, between the Rate which is FI Rate A and the Rate which is FI Rate B)]*

[Single FX Range Accrual Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(t).]]*

[Single FX Memory Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(u).]]*

[Multiple Combination Floater Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(v).]]*

[PRDC Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(w).]]*

[Single FI Digital Floor Coupon applicable:

*[Insert related provisions from Formulas Condition 5.1(x).]]*

[Single FI Digital Cap Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(y).]]*

[Single FI Target Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(z).]*

[Duration Adjusted Coupon applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(aa).]*

[FX Wedding Cake Interest applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(bb).]*

[Underlying Linked Interest applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(cc).]*

[Differential Linked Interest applicable:

*[Insert formula, relevant value(s) and other related provisions from Formulas Condition 5.1(dd).]*

[[Rate]][Rate<sub>(i)</sub>] [Rate 1<sub>(i)</sub>] [Rate 2<sub>(i)</sub>]: *[specify]*

*(If more than one fixed rate or floating rate is to be determined, specify each such rate)*

[Vanilla Call Rate

*[Insert formula, relevant value(s) and other related provisions from Formulas Conditions.]*

[Vanilla Call Spread Rate

*[Insert formula, relevant value(s) and other related provisions from Formulas Conditions.]*

- (b) Fixed Rate Provisions: [Applicable/Not applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (Specify if more than one fixed rate is to be determined)*
- (i) Fixed Rate[(s)] of Interest: [specify] per cent. [per annum]
- (ii) Fixed Interest Amount[(s)]: [[specify] per Nominal Amount]/[Not applicable]
- (iii) Broken Amount[(s)]: [specify]/[Not applicable]
- (c) Floating Rate Provisions [Applicable/Not applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (Specify if more than one floating rate is to be determined)*
- (i) Manner in which Rate of Interest and Interest Amount to be determined: [Screen Rate Determination/ISDA Determination]
- (ii) Linear Interpolation: [Not applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period beginning on [●] and ending on [●] shall be calculated using linear interpolation (specify for each short or long interest period)]
- (iii) [Screen Rate Determination]: [Applicable]/[Applicable, in respect of the Interest Period(s) [specify] (insert such wording in case

*“Coupon Switch” applies and Screen Rate Determination applies but only in respect of some Interest Period(s) / [Not applicable]*

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(A) [Reference Rate: [EURIBOR] [SONIA] [SOFR] [€STR] [SARON] [CMS]

*(The Reference Rate must be EURIBOR, SONIA, SOFR, €STR, SARON or CMS)*

(B) Specified Duration: [specify]

*(insert the wording below in case “Coupon Switch” applies and the Specified Duration is not the same for all Interest Periods)*

*[[specify] in respect of the Interest Period(s) [●]; [specify] in respect of the Interest Period(s) [●]; [●]]*

[Not applicable]

(C) Observation Method: [Lag / Observation Shift] [Not applicable]

(D) Lag Period: [5 / [ ] TARGET Days/U.S. Government Securities Business Days/London Banking Days/SIX Business Days/Not Applicable]

(E) Observation Shift Period: [5 / [ ] TARGET Days/U.S. Government Securities Business Days/London Banking Days/ SIX Business Days/Not Applicable]

*(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*

(F) D: [360/365/[ ]] / [Not Applicable]

(G) Rate Multiplier: [specify]

*(insert the wording below in case “Coupon Switch” applies and the Rate Multiplier is not the same for all Interest Periods)*

[[specify] in respect of the Interest Period(s) [●];  
[specify] in respect of the Interest Period(s) [●]; [●]]

[Not applicable]

(H) Reference Rate Multiplier: [specify]

*(insert the wording below in case “Coupon Switch” applies and the Reference Rate Multiplier is not the same for all Interest Periods)*

[[specify] in respect of the Interest Period(s) [●];  
[specify] in respect of the Interest Period(s) [●]; [●]]

[Not applicable]

(I) Cap: [specify]

*(insert the wording below in case “Coupon Switch” applies and the Cap is not the same for all Interest Periods)*

[[specify] in respect of the Interest Period(s) [●];  
[specify] in respect of the Interest Period(s) [●]; [●]]

[Not applicable]

(J) Floor: [specify]

*(insert the wording below in case “Coupon Switch” applies and the Floor is not the same for all Interest Periods)*

[[specify] in respect of the Interest Period(s) [●];  
[specify] in respect of the Interest Period(s) [●]; [●]]

[Not applicable]

(K) Interest Determination  
Date(s):

[specify]

*(Typically the second TARGET Day prior to the start of each Interest Period if Reference Rate is EURIBOR)*

[[●] London Business Days prior to each Interest Period End Date

*(N.B.: the number of London Business Days shall be the same specified as the “Lag Period” or the “Observation Shift Period” (as applicable))*

*(Include where the Reference Rate is SONIA)*

[[●] U.S. Government Securities Business Days prior to each Interest Period End Date

*(N.B.: the number of U.S. Government Securities Business Days shall be the same specified as the “Lag Period” or the “Observation Shift Period” (as applicable))*

*(Include where the Reference Rate is SOFR)*

[[●] TARGET2 Business Days prior to each Interest Period End Date]

*(Include where the Reference Rate is €STR)*

[[•] SIX Business Days prior to each Interest Period  
End Date

*(N.B.: the number of SIX Business Days shall be the same specified as the “Lag Period” or the “Observation Shift Period” (as applicable))*

*(Include where the Reference Rate is SARON)*

*(Typically the second day on which T2 is open prior to the start of each Interest Period if the Reference Rate is CMS and the Relevant Currency is in Euro)*

*(Typically the second [specify type of day] prior to the start of each Interest Period if the Reference Rate is CMS and the Relevant Currency is other than Euro)*

(L) Relevant Determination Time [Include where the Reference Rate is EURIBOR: 11:00 am, Brussels time]/ [Not applicable]

(M) Relevant Screen Page: [specify]

*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

(N) Reference Banks [specify] [Not applicable]

(O) Relevant Financial Centre [specify] [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro/other (give details))]

(P) Relevant Currency [specify] [Not applicable]

(Q) Designated Maturity [specify] [Not applicable]

(iv) ISDA Determination: [Applicable]/[Applicable, in respect of the Interest Period(s) [specify] (insert such wording in case “Coupon Switch” applies and ISDA Determination applies but only in respect of some Interest Period(s))]/[Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(A) [Floating Rate Option: [specify]

(B) Designated Maturity: [specify]

(C) Reset Date: [specify]]

*(N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time)*

(D) Overnight Floating Rate Option: [Applicable]/[Not Applicable]

(E) Index Floating Rate Option: [Applicable]/[Not Applicable]

(F) Overnight Rate Compounding Method: [Applicable]/[Not Applicable]



*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) OIS Compounding: [Applicable]/[Not Applicable]
  
- (ii) Compounding with [Applicable Lookback: [•] Applicable Business  
Lookback: Days]/[Not Applicable]
  
- (iii) Compounding with [Applicable  
Observation Period  
Shift: Set-in-Advance: [Applicable]/[Not Applicable]
  
- Observation Period Shift: [•] Observation Period Shift  
Business Days
  
- [Observation Period Shift Additional Business Days:  
[•]/[Not Applicable]]
  
- [Not Applicable]
  
- (iv) Compounding with [Applicable  
Lockout:
  
- Lockout: [•] Lockout Period Business Days
  
- Lockout Period Business Days: [•] / [Applicable  
Business Days]]
  
- [Not Applicable]
  
- (v) Daily Capped Rate: [[•] per cent.] / [Not Applicable]
  
- (vi) Daily Floored Rate: [[•] per cent.] / [Not Applicable]

- (G) Overnight Rate Averaging Method: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Overnight Averaging: [Applicable]/[Not Applicable]
- (ii) Averaging with Lookback: [Applicable]
- Lookback: [•] Applicable Business Days
- [Not Applicable]
- (iii) Averaging with Observation Period Shift: [Applicable]
- Set-in-Advance: [Applicable]/[Not Applicable]
- Observation Period Shift: [•] Observation Period Shift Business Days
- [Observation Period Shift Additional Business Days: [•]/[Not Applicable]]
- [Not Applicable]
- (iv) Averaging with Lockout: [Applicable]
- Lockout: [•] Lockout Period Business Days
- Lockout Period Business Days: [•] / [Applicable Business Days]]
- [Not Applicable]
- (v) Daily Capped Rate: [[•] per cent.] / [Not Applicable]

(vi) Daily Floored Rate: [[•] per cent.] / [Not Applicable]

(H) Index Method: [Applicable]/[Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) [All-in Compounded Index Method] Applicable

(ii) Compounded Index Method: [Applicable]/[Not Applicable]

(iii) Compounded Index Method with Observation Period Shift: [Applicable] Set-in-Advance: [Applicable]/[Not Applicable]

Observation Period Shift: [•] Observation Period Shift Business Days

[Observation Period Shift Additional Business Days: [•]/[Not Applicable]]

[Not Applicable]

(I) Delayed Payment: [Applicable, with the specified number of days being [•] Business Days] / [Not Applicable]

(J) ISDA Definitions Linear Interpolation: [Applicable]/[Not Applicable]

(d) Structured Rate Provisions [Applicable – see [Index/Share/ETI/Debt/Commodity/ Inflation Index/Currency/Fund/Futures/Underlying Interest

Rate] Linked Interest Amount Provisions below/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- Index Linked Interest Amount [Applicable/Not applicable] Provisions:

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Index/Basket of Indices/Index [specify name of Index/Indices] Sponsor(s):

*[specify name of Index Sponsor(s)]*

[The [●] Index is a [Component Security]/[Multi-Exchange] Index]<sup>26</sup>

- (ii) Averaging:

Averaging [applies/does not apply]. [The Averaging Dates are [●].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] [the provisions of Annex 2 (*Additional Terms and Conditions for Index Linked Notes*)] will apply.]

- (iii) Valuation Time:

[Scheduled Closing Time/Any time [on the relevant Settlement Price Date/during the Observation Period.] [[•], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.]

*(N.B. if no time is specified, the Valuation Time will be the Scheduled Closing Time)*

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<sup>26</sup> Specify each Component Security Index and/or Multi-Exchange Index (if any).

(iv) Interest Valuation Date(s): [specify]

(v) Index Correction Period [As per Index Linked Note Condition 1/specify]

(vi) Observation Dates: [specify]

[In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement][the provisions of Annex 2 (*Additional Terms and Conditions for Index Linked Notes*)] will apply.][Observation Day Disruption Consequences are not applicable.]

(vii) Observation Period: [specify as [the period from and including the Issue Date, Strike Date or [●] to and including [●]]]

(viii) Specified Maximum Days of Disruption: [specify] [Scheduled Trading Days] / [Not applicable]

(ix) Exchange(s): [specify] / [Not applicable]

(x) Related Exchange(s): [specify]/[All Exchanges]/[Not applicable]

(xi) Exchange Business Day: [Single Index Basis/All Indices Basis/Per Index Basis]/[Not applicable]

[Exchange/Related Exchange: Applicable]

(xii) Scheduled Trading Day: [Single Index Basis/All Indices Basis/Per Index Basis]/[Not applicable]

[Exchange/Related Exchange: Applicable]

*(must match election made for Exchange Business Day)*

(xiii) Settlement Price: [Official opening level]/[Official closing level]/[level at the Valuation Time] / [Index Linked Note Condition 5 (*Futures Price Valuation*) applies]

[First Traded Price Applicable]

(xiv) Weighting: [The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Annex 2 (*Additional Terms and Conditions for Index Linked Notes*)] [*specify other*]. (*N.B. Only applicable in relation to Notes relating to a Basket of Indices*)/Not Applicable]

(xv) Redemption on Occurrence of an Index Adjustment Event: [Delayed Redemption on Occurrence of an Index Adjustment Event: [Applicable/Not applicable]]

*[If applicable:*

Principal Protected Termination Amount: [Applicable/Not applicable]]

[Highest Value: [Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

*[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable:*

Protected Amount: [*specify*] per cent. of the Nominal Amount]

[If the Calculation Agent determines an Index Adjustment Event constitutes a force majeure, Index Linked Note Condition 3.2(c)(vi) applies]

(xvi) Futures Price Valuation: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(A) Rolling Futures Contract [Yes/No]

Notes:

[Related Hedging: Not applicable]

(B) Exchange-traded Contract: *[specify]/[If the Index Linked Notes are Rolling Futures Contract Notes: Index Linked Notes Condition 5.2 applies]*

(C) Delivery or expiry month: *[specify]/[Not applicable]*

*(Not applicable in the case of Index Linked Notes that are Rolling Futures Contract Notes)*

(D) Period of Exchange-traded [specify]/[Not applicable]

Contracts:

*(Only applicable in case of Index Linked Notes that are Futures Rollover Notes)*

(E) Futures or Options [specify]

Exchange:

(F) Futures Rollover [Not applicable]/[specify]

[Date/Period]:

(G) Relevant FTP Screen Page: *[specify]/[Not applicable]*

(H) Relevant Futures or Options [specify]/[Not applicable]  
Exchange Website:

(I) Cut-off Time: [specify]/[Not applicable]

(J) Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract: [Applicable/Not applicable]  
Exchange-traded Contract:

*If applicable:* Principal Protected Termination Amount:

[Applicable/Not applicable]

[Highest Value: [Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

*If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable:*  
Protected Amount: [specify] per cent. of the Nominal Amount]

[If the Calculation Agent determines a Non-Commencement or Discontinuance of an Exchange-traded Contract constitutes a force majeure, Index Linked Notes Condition [5.2(vi)] [and] [5.4(vi)] applies]

• Share Linked Interest Amount [Applicable/Not applicable]  
Provisions:

*(If not applicable, delete the remaining subparagraphs of this paragraph)*



[Share Linked Notes: [Applicable/Not applicable]]

[ETI Share Linked Notes: [Applicable/Not applicable]]

*(In the case of Hybrid Notes which are Share Linked Notes and ETI Share Linked Notes, repeat subparagraphs (i) to (xviii) below for Share Linked Notes and ETI Linked Notes to which the ETI Share Provisions apply, as required)*

(i) Share(s)/Share Company/Basket Company/GDR/ADR/ETI Interest/Basket of ETI Interests: *[insert type of Share(s) and Share Company/Basket Companies/ETI Interest(s) and ETI(s)]*

[Share/ETI Interest Currency: *[specify]*]

[ISIN][Screen Page][Exchange Code]

[GDR/ADR applicable]

*[insert details of GDR/ADR]*<sup>27</sup>

[Stapled Shares applicable]

*[Insert details of Stapled Shares and Stapled Share Constituents]*<sup>28</sup>

[China Connect applicable]<sup>29</sup>

(ii) Relative Performance Basket: [Not applicable/specify]

*(Always specify as "Not applicable" where ETI Share Linked Notes is specified as applicable)*

<sup>27</sup> In the case of Share Linked Interest Amount Notes relating to a GDR/ADR, complete Share Linked Interest Amount Notes Final Terms as applicable for GDR/ADR references asset(s).

<sup>28</sup> Specify each Stapled Share Constituent comprising the Stapled Shares. In the case of Share Linked Notes relating to Stapled Shares, complete Share Linked Interest Amount Notes Final Terms as applicable for Stapled Shares reference asset(s)

<sup>29</sup> Not applicable for ETI Share Linked Notes.

- (iii) Share Currency: *[specify]*
- (iv) ISIN of Share(s): *[specify]*
- (v) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (vi) Valuation Time: [Scheduled Closing Time/Any time [on the relevant Settlement Price Date/during the Observation Period.] [[•], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.]
- (N.B. if no time is specified, the Valuation Time will be the Scheduled Closing Time)*
- (vii) Interest Valuation Date(s): *[specify]*
- (viii) Observation Dates: *[specify]*
- [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] [Observation Day Disruption Consequences are not applicable.]
- (ix) Observation Period: *[specify]*
- (x) Specified Maximum Days of *[[specify] [Scheduled Trading Days]]* Disruption:

- (xi) Exchange(s): [specify]
- (xii) Related Exchange(s): [specify]/[All Exchanges]
- (xiii) Exchange Business Day: [Single Share Basis/All Shares Basis/Per Share Basis]
- (xiv) Scheduled Trading Day: [Single Share Basis/All Shares Basis/Per Share Basis]
- (must match election made for Exchange Business Day)*
- (xv) Settlement Price: [Official closing price]/[Italian Securities Reference Price]<sup>30</sup>/[price at the Valuation Time]
- [AQR: Applicable. The Settlement Price is [specify]]
- (xvi) Closing Price: [Official closing price] [VWA Closing Price]
- [AQR: Applicable. The Closing Price is [specify]]
- (xvii) Weighting: [The weighting to be applied to each item comprising the Basket of Shares to ascertain the Settlement Price is [specify]. Each such Weighting shall be subject to adjustment [in accordance with Annex 3 (*Additional Terms and Conditions for Share Linked Notes*)]/[specify other].
- (N.B. Only applicable in relation to Notes relating to a Basket of Shares)*
- (xviii) Redemption on Occurrence of an Extraordinary Event: [Delayed Redemption on Occurrence of an Extraordinary Event: [Applicable/Not applicable]]

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<sup>30</sup> Do not specify "Italian Securities Reference Price" in respect of ETI Linked Notes.

*[if applicable:*

Principal Protected Termination Amount:  
[Applicable/Not applicable]]

[Highest Value: [Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

*[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable:*  
Protected Amount: *[specify]* per cent. of the Nominal Amount]

[If the Calculation Agent determines that an Extraordinary Event constitute a force majeure, [Share Linked Note Condition [5.2(b)(iii)] [or] [5.2(c)(vi)]]/[ETI Linked Note Condition [12.2(b)(iii)] or [12.2(c)(vi)] applies]

(xix) Share Correction Period [As per Share Linke Note Condition 1/*specify*]

(xx) Dividend Payment: [Applicable/Not applicable]

(xxi) Listing Change [Applicable/Not applicable]

(xxii) Listing Suspension: [Applicable/Not applicable]

(xxiii) Illiquidity: [Applicable/Not applicable]

(xxiv) Tender Offer: [Applicable/Not applicable]

(xxv) [CSR Event: [Applicable/Not applicable]]<sup>31</sup>

(xxvi) Hedging Liquidity Event: [Applicable/Not applicable]  
 [Maximum Hedging Liquidity Level: [[●] per cent.]/[As per Share Linked Note Condition 5.3]]

(xxvii) Dividend Protection: [Applicable][Not applicable]  
*[(N.B. Only applicable if Normal Performance applies to the Notes)]*  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- Adjustments: If a Dividend Event occurs during the period from, the Issue Date, excluded, to the Maturity Date, included, as determined by the Calculation Agent in its sole discretion, the Calculation Agent may, in its sole and absolute discretion, adjust:

[the Strike Level, the Cap Level and the Initial Reference Level by multiplying such levels by the Adjustment Factor K (rounded to the fourth decimal digit);]

[ ]

- Cap Level [specify]

- Scheduled Dividend: [The Scheduled Dividend is, for each Scheduled Ex-Date specified below, an amount per Share equal to: ]

Scheduled Ex-Date	Scheduled Dividend Amount
----------------------	------------------------------

<sup>31</sup> Not applicable in respect of ETI Linked Notes.

[ ]	[ ]
[ ]	[ ]

[ ]

(xxviii) [China Connect Share Disqualification: [Applicable/Not applicable]]

(xxix) [China Connect Service Termination [Applicable/Not applicable]]<sup>32</sup>

- [ETI Linked Interest Amount Provisions: [Applicable/Not applicable]]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[ETI Share Provisions: [Applicable]/[Not applicable]]

*(If applicable and sub-paragraphs (i) to (xxxii) are not required for Hybrid Notes, delete sub-paragraphs (i) to (xxxii).)*

(i) [ETI/ETI Basket: [specify]]

[SC/FM ETI Events: Applicable]

[ETI Event Force Majeure: Applicable]

(ii) [ETI Interest(s): [Insert type of ETI Interest(s)]]

(iii) [Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]]

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<sup>32</sup> Only applicable if China Connect is applicable.

- (iv) Exchange(s): [specify]/[Not applicable]
  
- (v) Related Exchange: [specify]/[All Exchanges]/[Not applicable]
  
- (vi) Exchange Business Day: [All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
  
- (vii) Scheduled Trading Day: [All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
  
- (viii) ETI Related Party: [As per ETI Linked Note Condition 1]/[specify]
  
- (ix) ETI Documents: [As per ETI Linked Note Condition 1]/[specify]
  
- (x) Calculation Date(s): [As per ETI Linked Note Condition 1]/[specify]
  
- (xi) Initial Calculation Date: [specify]/[Not applicable]
  
- (xii) Final Calculation Date: [specify]/[Not applicable]
  
- (xiii) Hedging Date: [specify] / [Not applicable]
  
- (xiv) Investment/AUM Level: [As per ETI Linked Note Condition 1][specify] / [Not applicable]
  
- (xv) Value per ETI Interest Trading Price Barrier: [As per ETI Linked Note Condition 1][specify] / [Not applicable]
  
- (xvi) Number of Value Publication Days: [[●] calendar days] [[●] Value Business Days] / [Not applicable]

[Value Business Day Centre(s): *specify*]

*(N.B. Only applicable if Number of Value Publication Days is calculated by reference to Value Business Days)*

(xvii) Value Trigger Percentage: [As per ETI Linked Note Condition 1][*specify*] / [Not applicable]

(xviii) Value Trigger Period: [As per ETI Linked Note Condition 1][*specify*] / [Not applicable]

(xix) Basket Trigger Level: [As per ETI Linked Note Condition 1][*specify*] / [Not applicable]

(xx) Settlement Price/Closing Price: [Official closing price]/[Value per ETI Interest] / [price at the Valuation Time]

(xxi) Specified Maximum Days of Disruption: [As per ETI Linked Note Condition 1]/[*specify*] / [Not applicable]

(xxii) Additional Extraordinary ETI Event(s): [*specify*]/[Not applicable]

(xxiii) Valuation Time: [*specify*]

(xxiv) Interest Valuation Date: [*specify*]

(xxv) Maximum Stock Loan Rate: [The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant ETI Interest*] is [●].]/[Not applicable]

(xxvi) ETI Interest Correction Period: [As per ETI Linked Note Condition 1]/ [*specify*]/[Not applicable]



- (xxvii) Termination Amount: [specify]/[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[Not applicable]
- (xxviii) Simple Interest Spread: [As per ETI Linked Note Condition 1]/[specify]/[Not applicable]
- (xxix) Termination Date: [specify]
- (xxx) Weighting: [The Weighting to be applied to each ETI Interest comprising the ETI Basket is [specify]]/[Not applicable]
- (xxxi) [Protected Amount: *[If Delayed Redemption on Occurrence of an Extraordinary ETI Event and Principal Protected Termination Amount are applicable: [specify] per cent. of the Nominal Amount]*
- (xxxii) Delayed Redemption on Occurrence of an Extraordinary ETI Event: [Applicable/Not applicable]
- Debt Linked Interest Amount Provisions: [Applicable/Not applicable]
 

*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Debt Instruments: [specify] [Not applicable] [Not applicable – Synthetic Debt Instrument applies – see item (xvi)(C) below]
- (Not applicable if Futures Price Valuation applicable)*
- (ii) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]

(iii) Valuation Time: [specify]

(iv) Interest Valuation Date: [specify]

(v) Observation Dates: [specify]

[In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] [Observation Day Disruption Consequences are not applicable.]

(vi) Observation Period: [specify]

(vii) Specified Maximum Days of Disruption: [[specify] Scheduled Trading Days] [Not applicable]

*(Not applicable if Futures Price Valuation applicable)*

(viii) Exchange Business Day Centre(s): [specify]

(ix) Nominal Amount: [The relevant nominal amount is [●] and the Relevant Screen Page is [●].][Not applicable]

*(Not applicable if Futures Price Valuation applicable)*

(x) Settlement Price: [As per Debt Linked Note Condition 1]/[If Future Price Valuation is "Applicable": as per Debt Likned Note Condition 6]

(xi) Reference Price: [The Reference Price[s] for *[insert relevant Debt Instrument(s)]* is/are the [bid price]/[mid price]/[offer price]/[bid yield]/[mid yield]/[offer yield].] [Not applicable]

*(Not applicable if Futures Price Valuation applicable)*

(xii) Delayed Redemption on Occurrence of Debt Instrument

[Applicable/Not applicable]

Redemption Event:

*[If applicable:*

Principal Protected Termination Amount:  
[Applicable/Not applicable]

*[If Principal Protected Termination Amount is applicable:*

Protected Amount: *[specify]* per cent. of the Nominal Amount]

*(Not applicable if Futures Price Valuation applicable)*

(xiii) Debt Instrument Correction Period:

[As per Debt Linked Note Condition 11]/ *[specify]*  
/[Not applicable]

*(Not applicable if Futures Price Valuation applicable)*

(xiv) Debt Instrument Issuer:

*[specify]*/[Not applicable]

*(Not applicable if Futures Price Valuation applicable)*

(xv) Weighting:

[Not applicable/The weighting to be applied to each item comprising the Basket of Debt Instruments to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]

(xvi) Futures Price Valuation:

[Applicable]/[Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (A) Rolling Futures Contract [Yes/No]  
Notes:
- (B) Exchange-traded Contract: [Specify]/[If the Debt Linked Notes are Rolling Futures Contract Notes: Debt Linked Note Condition 7 applies]
- (C) Synthetic Debt Instrument: [Specify]/[If the Exchange-traded Contract relates to a Synthetic Debt Instrument, include description of the key terms of the synthetic debt instrument]/[Not applicable]
- (D) Delivery or expiry month: [Specify]/[Not applicable]
- (Not applicable in the case of Debt Linked Note that are Rolling Futures Contract Notes)*
- (E) Period of Exchange-traded Contracts: [Specify]/[Not applicable]
- (Only applicable in the case of Debt Linked Notes that are Rolling Futures Contract Notes)*
- (F) Futures or Options Exchange: [Specify]
- (G) Futures Rollover [Date/Period]: [Not applicable]/[Specify]
- (H) Delayed Redemption on Occurrence of a Non-Commencement or [Applicable/Not applicable]  
*[If applicable:]*

Discontinuance of an  
Exchange-traded Contract: Principal Protected Termination Amount:  
[Applicable/Not applicable]

*[If Principal Protected Termination Amount is applicable: Protected Amount: [specify] per cent. of the Nominal Amount]*

(I) Daily Settlement Price [As per Debt Linked Note Condition 11][Specify]  
Correction Period:

- Commodity Linked Interest Amount [Applicable/Not applicable]  
Provisions:

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Commodity/ [specify Commodity/Commodities/Commodity  
Commodities/Commodity Index/Commodity Indices]  
Index/Commodity Indices:

[The Sponsor[s] of the Commodity [Index/Indices]  
[is/are] [●]]

*[Insert in the case of Commodities that are EU Allowances: The [Commodity]/[specify Commodities]  
[is an]/[are] EU Allowance[s]*

Relevant Registry: *[specify]*

(ii) Interest Pricing Date(s): *[specify]*

(iii) Initial Interest Pricing Date: *[specify]*

(iv) Final Interest Pricing Date: *[specify]*

- (v) Commodity Reference Price: [specify]
- The Price Source is/are [●]<sup>33</sup>
- (vi) Delivery Date: [specify]/[Not applicable]
- (vii) Nearby Month: [specify]/[Not applicable]
- (viii) Specified Price: [specify]/[Not applicable]
- (ix) Exchange: [specify]/[Not applicable]
- (x) Disruption Fallback(s): [specify] / [As per Commodity Linked Note Condition 1]
- (xi) Trading Disruption: [specify]/[Not applicable]
- (xii) Valuation Time: [specify]
- (xiii) Specified Maximum Days of Disruption: [As per Commodity Linked Note Condition 1]/[specify]<sup>34</sup>
- (xiv) Weighting: [The Weighting to be applied to each item comprising the Commodity Basket is [specify]]/[Not applicable]
- (xv) Rolling Futures Contract Notes: [Yes/No]
- (xvi) [Futures Rollover [Date/Period]: [Not applicable]/[specify]] (*Delete if the Notes are not Rolling Futures Contract Notes*)

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<sup>33</sup> Delete if using automated Commodity Reference Prices.

<sup>34</sup> Only applicable in respect of Commodity Securities linked to a single Commodity.

(xvii) Redemption following Market Disruption Event or Commodity Index Adjustment Event: [Commodity Linked Note Condition 3(c)(i) applies]/[Highest Value]/[Monetisation Option]/[Market Value]

[If Highest Value or Monetisation Option are applicable: Protected Amount: *[specify]* per cent. of the Nominal Amount]]

[If the Calculation Agent determines a Market Disruption Event or Commodity Index Adjustment Event constitutes a force majeure, Commodity Linked Note Condition [3(c)(v)] [or] [4(b)(v)], respectively, applies]

• Inflation Linked Interest Amount Provisions: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

*(If more than one Inflation Rate is to be determined, repeat items below as applicable for each such Inflation Rate and, if FI Digital Coupon is applicable, distinguish between the Inflation Rate which is FI Rate A and the Inflation Rate which is FI Rate B)*

(i) Inflation Index/Inflation Indices/Inflation Index Sponsor: *[specify name of inflation index/indices]*

*[specify name of inflation index sponsor(s)]*

[Screen Page/Exchange Code: *[specify]*]

(ii) Related Bond: [Applicable/Not applicable] *[If applicable, specify]*

(iii) Issuer of Related Bond: [Applicable/Not applicable] *[If applicable, specify]*

(iv) Fallback Bond: [Applicable/Not applicable] *[If applicable, specify]*

- (v) Related Bond Redemption Event: [Applicable/Not applicable] *[If applicable, specify]*
- (vi) Settlement Price: *[specify]*
- (vii) Substitute Inflation Index Level: [As determined in accordance with Annex 7 *(Additional Terms and Conditions for Inflation Index Linked Notes)*] *[specify]*
- (viii) Cut-off Date: In respect of a [Valuation Date], the day that is *[specify]* Business Days prior to such [Valuation Date].
- (ix) Interest Valuation Date: *[specify]*
- (x) Reference Month: *[specify]*
- (xi) Currency Adjustment: [Applicable/Not applicable]
- (xii) Inflation Index Level Adjustment: [Applicable/Not applicable]
- (xiii) Index Cancellation [Inflation Linked Note Condition 4.7(b)(i) applies]/[Highest Value]/[Monetisation Option]/[Market Value]
- [If Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Notional Amount]*
- [If the Calculation Agent determines an Index Cancellation constitutes a force majeure, Inflation Linked Note Condition 4.7(b)(v) applies]
- Currency Linked Interest Amount Provisions: [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*



(i) The relevant base currency (the [specify]  
**"Base Currency"**) is:

(ii) The relevant alternative [specify]  
 [currency/currencies]  
 ([the]/[each an] "**Alternative  
 Currency**") [is/are]:

(iii) Weighting: [specify]/[Not applicable]

(iv) Price Source: [specify]

(v) Specified Maximum Days of [specify]/[five] Scheduled Trading Days  
 Disruption:

*(If no Specified Maximum Days of Disruption are  
 stated, Specified Maximum Days of Disruption will be  
 equal to five)*

(vi) Averaging Date(s): [specify]

[Currency Convention: [As per Currency Linked Note  
 Condition 1]/[Preceding Currency  
 Convention]/[Modified Following Currency  
 Convention]]

(vii) Observation Date(s): [specify]

[Currency Convention: [As per Currency Linked Note  
 Condition 1]/[Preceding Currency  
 Convention]/[Modified Following Currency  
 Convention]]

(viii) Strike Date: [specify]

[Currency Convention: [As per Currency Linked Note Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]

(ix) Relevant Screen Page: [specify]

(x) Valuation Time: [specify]

(xi) Interest Valuation Date: [specify]

[Currency Convention: [As per Currency Linked Note Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]

(xii) Redemption on Occurrence of a Disruption Event: [Illiquidity Disruption: Not applicable]

[Disruption Event Postponement: Not applicable]

[Delayed Redemption on Occurrence of a Disruption Event: [Applicable/Not applicable]]

[if applicable: Principal Protected Termination Amount: [Applicable/Not applicable]

[Highest Value: [Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Nominal Amount]

[If the Calculation Agent determines that a Disruption Event constitutes a force majeure, Currency Linked Note Condition 3(b)(vi) applies]

(xiii) Futures Price Valuation: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(A) Rolling Futures Contract Notes: [Yes/No]

(B) Exchange-traded Contract: *[Specify]/[If the Currency Linked Notes are Rolling Futures Contract Notes: Currency Linked Note Condition 6 applies]*

(C) Currency Pair: *[specify]*

(D) ISIN: *[specify]*

(E) Expiry month: *[specify]/[Not applicable]*

*(Not applicable in the case of Currency Linked Notes that are Rolling Futures Contract Notes)*

(F) Period of Exchange-traded Contract: *[specify]/[Not applicable]*

*(Only applicable in the case of Currency Linked Notes that are Rolling Futures Contract Notes)*

(G) Futures or Options Exchange: *[specify]*

(H) Futures Rollover [Not applicable]/[specify]  
 [Date/Period]:  
*(Not applicable in the case of Currency Linked Notes that are not Rolling Futures Contract Notes)*

(I) Delayed Redemption on [Applicable/Not applicable]  
 Occurrence of a Non-  
 Commencement or [If applicable:  
 Discontinuance of an  
 Exchange-traded Contract: Principal Protected Termination Amount:  
 [Applicable/Not applicable]  
*If Principal Protected Termination Amount is applicable:*  
 Protected Amount: [specify] per cent. of the Nominal Amount]

(J) Daily Settlement Price [As per Currency Linked Note Condition 5]/[specify]  
 Correction Period:

• Fund Linked Interest Amount [Applicable/Not applicable]  
 Provisions:  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Fund/Fund Basket: [specify Fund/Fund Basket/Fund Index/Fund Indices/Euro Fund]

[The Fund Index Sponsor[s] of the Fund [Index/Indices] [is/are] [•]]

[Fund Index Currency: [specify]]

[The [•] Fund is a Mutual Fund]

[The [•] Fund is a Hedge Fund]

[The [•] Fund is a Private Equity Fund]

[[The [•] Fund is a Euro Fund]

[The Insurance Company is *specify*]

Provisional Minimum Rate: *specify website*

Gross Rate of Return: *specify website*

[Floor Rate of Return: Applicable – the Floor Rate of Return is *specify*]

Euro Fund Business Day Centre: *specify*]]

*(If the Euro Fund Provisions are applicable delete items (l)(ii) to (xi) and (l)(xiii) to (xxvii) below and complete items (l)(xii) and (l)(xxviii))*

[SC/FM Fund Events: Applicable]

(ii) Fund Share(s): *specify*

(iii) Fund Documents: [As per Fund Linked Note Condition 1]*specify*

(iv) Observation Dates: *specify*

(v) Fund Business Day: [All Fund Share Basis/Per Fund Share Basis/Single Fund Share Basis]

(vi) Maximum Days of Disruption: [As per Fund Linked Note Condition 1]*specify*

(vii) Fund Service Provider: [As per Fund Linked Note Condition 1]*specify*

(viii) Interest Valuation Date: *specify*

(ix) Calculation Date(s): [As per Fund Linked Note Condition 1]*specify*

- (x) Initial Calculation Date: [As per Fund Linked Noted Condition 1]/[specify]
- (xi) Final Calculation Date: [specify]
- (xii) Hedging Date: [specify]
- (xiii) AUM Level: [As per Fund Linked Noted Condition 1]/[specify]
- (xiv) NAV Trigger Percentage: [As per Fund Linked Noted Condition 1]/[specify]
- (xv) NAV Trigger Period: [As per Fund Linked Note Condition 1]/[specify]
- (xvi) Number of NAV Publication Days: [As per Fund Linked Note Condition 1]/[specify]
- (xvii) Basket Trigger Level: [As per Fund Linked Note Condition 1]/[specify]
- (xviii) Termination Amount: [Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[specify]/[Market Value]/[Highest Value]/[Monetisation Option]  
 [Fund Event Force Majeure: Applicable]
- (xix) Simple Interest Spread: [As per Fund Linked Note Condition 1]/[specify]
- (xx) Termination Date: [specify]
- (xxi) Weighting: [The Weighting to be applied to each Fund Share comprising the Fund Basket is [specify]/[Not Applicable]

- (xxii) Delayed Redemption on Occurrence of an Extraordinary Fund Event: [Applicable/Not applicable]
- (xxiii) Delayed Payment Cut-off Date: [As per Fund Linked Notes Condition 1]/[specify]
- (xxiv) Fund Event Force Majeure: [Applicable/Not applicable]
- (xxv) Settlement Price: [NAV per Fund Share][The sum of the values calculated in respect of each Basket Component as the NAV per Fund Share of such Basket Component multiplied by the relevant Weighting]
- (xxvi) [Protected Amount: *[If Highest Value, Monetisation Option or Delayed Redemption on Occurrence of an Extraordinary Fund Event and Principal Protected Termination Amount are applicable: [specify] per cent. of the Nominal Amount]*]
- (xxvii) Redemption on Occurrence of a Fund Index Adjustment Event: [Delayed Redemption on Occurrence of a Fund Index Adjustment Event: [Applicable/Not applicable]]
- [If applicable: Principal Protected Termination Amount: [Applicable/Not applicable]]*
- [Highest Value: [Applicable/Not applicable]]
- [Market Value: [Applicable/Not applicable]]
- [Monetisation Option: [Applicable/Not applicable]]
- [If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Nominal Amount]*

[If the Calculation Agent determines a Fund Index Adjustment Event constitutes a force majeure, Fund Linked Note Condition 6(iv)(F) applies]

(xxviii) [Redemption on Occurrence of an Extraordinary Euro Fund Event: [Delayed Redemption on Occurrence of an Extraordinary Euro Fund Event: [Applicable/Not applicable]

[If applicable: Principal Protected Termination Amount: [Applicable/Not applicable]]

[If Delayed Redemption on Occurrence of an Extraordinary Euro Fund Event and Principal Protected Termination Amount are applicable: Protected Amount: [specify] per cent. of the Nominal Amount]]

• Futures Linked Interest Amount Provisions: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Futures: [insert type of Future(s)]

(ii) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]

(iii) Valuation Time: [specify]

(iv) Interest Valuation Date: [specify]



- (v) Observation Dates: *[specify]*
- [In the event that an Observation Date is a Disruption Day *[Omission/Postponement/Modified Postponement]* will apply.] *[Observation Day Disruption Consequences are not applicable.]*
- (vi) Observation Period: *[specify]*
- (vii) Specified Maximum Days of Disruption: *[As defined in Base Condition 3]/[specify]*  
*[Scheduled Trading Days]*
- (viii) Exchange(s): *[specify]*
- (ix) Exchange Business Day: *[Single Future Basis/All Futures Basis/Per Futures Basis]*
- (x) Scheduled Trading Day: *[Single Future Basis/All Futures Basis/Per Futures Basis]*
- (must match election made for Exchange Business Day)*
- (xi) Settlement Price: *[Official closing price]/[price at the Valuation Time]*
- (xii) Weighting: *[The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [specify]. Each such Weighting shall be subject to adjustment [in accordance with Annex 10 (Additional Terms and Conditions for Futures Linked Notes)]/[specify other]. [Not Applicable]*
- (N.B. Only applicable in relation to Notes relating to a Basket)]*

(xiii) Futures Correction Period: [As per Futures Linked Note Conditions 1]/[specify]

(xiv) Redemption on Occurrence of a Futures Adjustment Event: [Delayed Redemption on Occurrence of Futures Adjustment Event: [Applicable/Not applicable]]

*[If applicable:*

Principal Protected Termination Amount:  
[Applicable/Not applicable]]

[Highest Value: [Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

*[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable:*

Protected Amount: [specify] per cent. of the Nominal Amount]

[If the Calculation Agent determines a Futures Adjustment Event constitutes a force majeure, Futures Linked Note Condition 3.1(b)(vi) applies]

- Underlying Interest Rate Linked Interest Amount Provisions [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph.)*

*(if applicable, identify each Underlying Interest Rate<sub>(i)</sub> which is a Multiple Underlying Component Rate)*

(i) Underlying Interest Determination [specify]  
Date(s):

*(If more than one [Underlying Interest Rate] is to be determined, include the following language: "Underlying Interest Rate<sub>1</sub>:")*

(ii) Manner in which the Underlying Interest Rate is to be determined: [Screen Rate Determination/ ISDA Determination]

(A) [Screen Rate Determination]: [Applicable]/[Not applicable]

*(if not applicable, delete the remaining subparagraphs of this paragraph)*

(I) Underlying Reference Rate: [EURIBOR] [SONIA] [SOFR] [€STR] [SARON] [CMS] [specify]

(II) Specified Duration: [specify] [Not applicable]

(III) Specified Time: [specify]

*(which will be 11:00 am, Brussels time, in the case of EURIBOR)*

(IV) Observation Method: [Lag / Observation Shift] [Not applicable]

(V) Lag Period: [5 / [ ] TARGET Days/U.S. Government Securities Business Days/London Banking Days/SIX Business Days/Not Applicable]

(VI) Observation Shift Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/ SIX Business Days/Not Applicable]

*(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*

(VII) D: [360/365/[ ]] / [Not Applicable]

(VIII) Relevant Screen Page: [specify]]

*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a compiste rate or amend the fallback provisions appropriately)*

(IX) Relevant Currency: [specify]]

(X) Reference Banks [specify] [Not applicable]

(XI) Relevant Financial Centre [specify] *[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro/other (give details)]*

(XII) Designated Maturity [specify] [Not applicable]

(B) ISDA Determination [Applicable]/[Not applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(I) [Floating Rate Option: [specify]

(II) Designated Maturity: [specify]

(III) Reset Date: [specify]]

*(N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time)*

(IV) Calculation Start Date: [●] [A day that falls [●] [weeks / months] prior to the Underlying Interest Determination Date, subject to the Business Day Convention]

(V) Overnight Floating Rate [Applicable]/[Not Applicable]  
Option:

(VI) Index Floating Rate [Applicable]/[Not Applicable]  
Option:

(VII) Overnight Rate [Applicable]/[Not Applicable]  
Compounding Method:

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) OIS [Applicable]/[Not Applicable]  
Compounding:

(ii) Compounding with Lookback: [Applicable Lookback: [●] Applicable Business Days]/[Not Applicable]

(iii) Compounding with Observation Period Shift: [Applicable]  
Set-in-Advance: [Applicable]/[Not Applicable]

Observation Period Shift: [●] Observation Period Shift Business Days

[Observation Period Shift Additional Business Days:  
[•]/[Not Applicable]]

[Not Applicable]

(iv) Compounding with Lockout: Applicable

Lockout: [•] Lockout Period Business Days

Lockout Period Business Days: [•] / [Applicable Business Days]]

/[Not Applicable]

(v) Daily Capped Rate: [[•] per cent.] / [Not Applicable]

(vi) Daily Floored Rate: [[•] per cent.] / [Not Applicable]

(VIII) Overnight Rate [Applicable]/[Not Applicable]

Averaging Method:

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Overnight Averaging: [Applicable]/[Not Applicable]

(ii) Averaging with Lookback: [Applicable]

Lookback: [•] Applicable Business Days]

/[Not Applicable]

(iii) Averaging with [Applicable  
 Observation  
 Period Shift: Set-in-Advance: [Applicable]/[Not Applicable]  
  
 Observation Period Shift: [•] Observation Period Shift  
 Business Days  
  
 [Observation Period Shift Additional Business Days:  
 [•]/[Not Applicable]]  
  
 /[Not Applicable]

(iv) Averaging with [Applicable  
 Lockout:  
  
 Lockout: [•] Lockout Period Business Days  
  
 Lockout Period Business Days: [•] / [Applicable  
 Business Days]]  
  
 /[Not Applicable]

(v) Daily Capped [[•] per cent.] / [Not Applicable]  
 Rate:

(vi) Daily Floored [[•] per cent.] / [Not Applicable]  
 Rate:

(IX) Index Method: [Applicable]/[Not Applicable]

*(If not applicable, delete the remaining sub-  
 paragraphs of this paragraph)*

(i) [All-in Applicable  
 Compounded  
 Index Method]

- (ii) Compounded Index Method: [Applicable]/[Not Applicable]
- (iii) Compounded Index Method with Observation Period Shift: [Applicable]  
 Set-in-Advance: [Applicable]/[Not Applicable]  
 Observation Period Shift: [] Observation Period Shift Business Days  
 [Observation Period Shift Additional Business Days: []/[Not Applicable]]  
 /[Not Applicable]
- (X) Delayed Payment: [Applicable, with the specified number of days being [] Business Days] / [Not Applicable]
- (XI) ISDA Definitions Linear Interpolation: [Applicable]/[Not Applicable]
- (iii) Underlying Margin(s): [[]/[] per cent. per annum]/[Not Applicable]
- (iv) Rate Multiplier (s): [*specify*]/[Not Applicable]
- (v) Reference Rate Multiplier: [*specify*] [Not applicable]
- (vi) Minimum Underlying Reference Rate: [[] per cent. per annum]/[Not Applicable]
- (vii) Maximum Underlying Reference Rate: [] per cent. per annum



*(If more than one [Underlying Interest Rate] is to be determined, include the following language: "Underlying Interest Rate<sub>2</sub>:" and repeat items [(ii) to (vii)].*

*(Repeat for each Underlying Interest Rate.)*

**46. PROVISION RELATING TO REDEMPTION**

(a) [Issuer Call Option:]<sup>35</sup>

[Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

[European Style] [American Style]

(i) Call Option Exercise Notice Period [specify]

(ii) Optional Redemption Date (Call) [specify]

[The day falling [•] Business Days following the Optional Redemption Valuation Date]

*(Insert if Call Payout Forex DivReinvested Fees Notes 1 or Call Payout Capitalised Call and Put Note is applicable)*

(iii) Optional Redemption Valuation [specify]

Date(s):

[The date designated as the Optional Redemption Valuation Date by the Issuer in the notice of redemption, being the day falling [•] Business Days after the notice referred to in Base Condition 8.7 has

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<sup>35</sup> Where applicable, there will be a minimum notice period of 5 Business Days.

been delivered to the Noteholders in accordance with Base Condition 16

*(Insert if Call Payout Forex DivReinvested Fees Notes 1 or Call Payout Capitalised Call and Put Notes is applicable)*

(iv) Optional Redemption Amount [NA × [●] per cent.]  
(Call):

[Call Payout Forex DivReinvested Fees Notes 1]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 4.1(a).]*

[Call Payout Capitalised Call and Put Notes]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 4.1(b).]*

[Call Payout Leverage Factor Notes]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 4.1(c).]*

[MFP Call Payout]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 4.1(d).]*

[Leveraged Notes Call Payout]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 4.1(e).]*

[[Structuring Fee Deduction: Applicable]

*[Insert formula/amend formula according to provisions from Formulas Condition 4.2]]*

(v) Call Option Condition

[Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(A) Call Option Event

[A Call Option Event shall be deemed to have occurred if [ ]. ] *(Insert relevant value(s) and related provisions from Conditions)*

(B) Call Option Exercise  
Valuation Date

*[specify]*[Not applicable]

(C) Call Option Exercise  
Valuation Period

*[specify]*[Not applicable]

(D) Call Option Exercise  
Valuation Time

*[specify]*[Not applicable]

(E) Optional Condition  
Redemption Valuation Date  
(Call)

*[specify]*

(F) Optional Condition  
Redemption Date (Call)

*[specify]*

(G) Optional Condition  
Redemption Amount (Call)

[NA × [●] per cent.]

[Call Payout Forex DivReinvested Fees Notes 1]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 4.1(a).]*

[Call Payout Capitalised Call and Put Notes]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 4.1(b).]*

[Call Payout Leverage Factor Notes]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 4.1(c).]*

[MFP Call Payout]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 4.1(d).]*

[Leveraged Notes Call Payout]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 4.1(e).]*

[[Structuring Fee Deduction: Applicable]

*[Insert formula/amend formula according to provisions from Formulas Condition 4.2]]*

(b) [Noteholders Put Option:]<sup>36</sup>

[Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

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<sup>36</sup> Where applicable, there will be a minimum notice period of 5 Business Days.

[European Style] [American Style]

*(N.B. Where SFP Leverage Factor Notes and Maturity Extension and/or Reverse Split are specified as applicable, Noteholders Put Option must be specified as "Applicable")*

(i) Put Option Exercise Notice Period [specify]

(ii) Optional Redemption Date (Put): [specify]

*[Insert if Put Payout Forex DivReinvested Fees Notes 1, Maturity Extension and/or Reverse Split is applicable: The day falling [ten] Business Days after the relevant Optional Redemption Valuation Date]*

(iii) Optional Redemption Valuation Date: [specify]

[The first Put Payout Forex DivReinvested Fees Notes 1 Valuation Date falling on or after the last day of the Put Option Exercise Notice Period in which notice of redemption is validly given in accordance with Base Condition 8.8.

**"Put Payout Forex DivReinvested Fees Notes 1 Valuation Date"** means the [specify] day of [each month]/[each [specify month] in each year commencing [on [●]/the [calendar month]/[calendar year] after the Issue Date] or, if that is not a CV Calculation Day, the immediately [preceding/succeeding] CV Calculation Day

*(Insert if Put Payout Forex DivReinvested Fees Notes 1 is applicable)]*

*[Insert if "Maturity Extension" and/or "Reverse Split" is applicable: [The date specified as such in the*

[Maturity Extension Notice] [or] [Reverse Split Notice], validly given in accordance with Base Condition [8.9] [or] [8.10]./[The date falling [●] Business Days prior to the [Postponed Maturity Date] [or] [Reverse Split Effective Date] specified in the [Maturity Extension Notice] [or] [Reverse Split Notice], validly given in accordance with Base Condition [8.9] [or] [8.10].]

(iv) Optional Redemption Amount [NA × [●] per cent.]  
(Put):

[Put Payout Forex DivReinvested Fees Notes 1]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 3.1(a).]*

[Put Payout Capitalised Call and Put Notes]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 3.1(b).]*

[Put Payout Leverage Factor Notes]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 3.1(c).]*

[MFP Put Payout]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 3.1(d).]*

[MFP Put Normal Performance Payout]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 3.1(e).]*

[Leveraged Notes Put Payout]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 3.1(f).]*

[[Structuring Fee Deduction: Applicable]

*[Insert formula/amend formula according to provisions from Formulas Condition 3.1]*

(v) Minimum Notice Period: *[specify] / [Not applicable] (Repeat as necessary if different in respect of a Maturity Extension or Reverse Split)*

(vi) Maximum Notice Period: *[specify] / [Not applicable] (Repeat as necessary if different in respect of a Maturity Extension or Reverse Split)*

(c) [Automatic Early Redemption<sup>37</sup>: [Applicable/Not applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Automatic Early Redemption Event: [Target Automatic Early Redemption Payout] [FI Underlying Automatic Early Redemption Payout] [FI Coupon Automatic Early Redemption Payout] [[Single] Standard Automatic Early Redemption [– Automatic Early Redemption Event 1]: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"] [Standard Automatic Early Redemption – Automatic Early Redemption Event 2 Applicable: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"] [MFP Target Automatic Early Redemption Event]

[Automatic Early Redemption Event 1 [and]/[or] Automatic Early Redemption Event 2]

<sup>37</sup> Only applicable in relation to Index Linked Notes, Share Linked Notes, Debt Linked Notes, ETI Linked Notes, Commodity Linked Notes, Currency Linked Notes, Fund Linked Notes, Futures Linked Notes and, in the case of FI Underlying Automatic Early Redemption Payout, Interest Rate Linked Notes.

[As per Base Condition 8.5

*[Insert related provisions from Conditions.]*

[AER Knock-out: [Knock-out Event]/[Knock-in Event]

*[Insert related provisions from Conditions.]*

[Leveraged Automatic Early Redemption: Applicable

*[Insert related provisions from Conditions.]*

(ii) Automatic Early Redemption Payout: [Automatic Early Redemption Payout Capitalised Call and Put Notes 1]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 2.1(a).]*

[Automatic Early Redemption Payout Capitalised Call and Put Notes 2]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 2.1(b).]*

[SFP Automatic Early Redemption Payout]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 2.1(c).]*

[MFP Automatic Early Redemption Payout]

*[Insert formula, relevant value(s) and related provisions from Formulas Condition 2.1(d).]*

[Leveraged Notes Automatic Early Redemption Payout]



*[Insert formula, relevant value(s) and related provisions from Formulas Condition 2.1(e).]*

[Target Automatic Early Redemption Payout:

*[Insert formula, relevant value(s) and relevant provisions from Formulas Condition 2.1(f).]*

[FI Underlying Automatic Early Redemption Payout:

*[Insert formula, relevant value(s) and relevant provisions from Formulas Condition 2.1(g).]*

[FI Coupon Automatic Early Redemption Payout:

*[Insert formula, relevant value(s) and relevant provisions from Formulas Condition 2.1(h).]*

[[Structuring Fee Deduction: Applicable]

*[Insert formula/amend formula according to provisions from Formulas Condition 2.2]*

(iii) Early Redemption Entitlement

[Applicable]/[Not Applicable]

*[if applicable: The Early Redemption Entitlement in relation to each Note is:*

*[an amount equal to: [specify]]/*

*[Entitlement Units; multiplied by the Entitlement Multiplier; [multiplied by the Weighting].]*

*[Entitlement Units: [specify]]*

*[Entitlement Multiplier: [specify]]*

- (iv) Automatic Early Redemption *[specify]*  
Date(s):
- (v) Observation Price Source: *[specify]/[Not applicable]*
- (vi) [Observation Time: *[At any time during the opening hours of the Exchange]/[specify]*
- (vii) Observation Price: *[Official level]/[Opening price]/[Official close]/[Closing price]/[Purchase price]/[Sale price]/[Traded price]/[Bid price]/[Asked price]/[Last price]/[Official settlement price]/[Daily settlement price]/[Not applicable]*
- (viii) Capitalised Exercise Price *[[upwards/downwards] [●] digits]/[specify]*  
Rounding Rule:  
*(Include [(v) to (vii)] if Automatic Early Redemption Payout Capitalised Call and Put Notes 1 applies)*
- (ix) Underlying Reference Level [1]: *[specify]/[Official level]/[Official close]/[Last Price]/[Bid price]/[Asked price]/[Standard Price]/[Not applicable]*  
  
MFP AER Valuation: *[Applicable/Not applicable]*  
  
*[If applicable Insert related provisions from Conditions]*
- (x) [Underlying Reference Level 2: *[specify]/[Standard Price][Last Price]/[Not applicable]*
- (xi) [MFP AER Valuation: *[Not applicable]/[Applicable]:*  
  
*[MFP AER Value [1]:*

*[insert relevant value(s) and related provisions from Conditions]*

[MFP AER Value 2:

*[insert relevant value(s) and related provisions from Conditions]]]*

(xii)[(A)] Automatic Early *[specify]*  
Redemption Level [1]:

[(B) Automatic Early *[specify]]*  
Redemption Level [2]:

[AER Range Level: *[specify]]*

[AER Range Level 1: *[specify]]*

[AER Range Level 2: *[specify]]*

(xiii) Automatic Early *[[●] per cent.]/[Not applicable]*  
Redemption Percentage(s):

(xiv) AER Exit Rate: *[Not applicable]*

*[AER Rate]*

*[Insert relevant provisions from Conditions]*

*[AER up Rate]*

*[Insert related provisions from Conditions]*

*[AER CSN Rate]*

*[Insert relevant provisions from Conditions]*

(xv) Automatic Early Redemption Valuation Date(s)/Time/Period(s): *[specify]*/[AER Knock-out Date]/[As per Base Condition 8.5(c)]

[AER 1 Redemption Valuation [Date(s)/Period(s)]:  
*[specify]*

[AER 2 Redemption Valuation [Date(s)/Period(s)]:  
*[specify]*]

*[For Fixed Income payouts, consider whether this is the interest determination date (i.e. 2 business days prior to the Automatic Early Redemption Date)]*

(xvi) [AER Event 1 Underlying[s]: [See item [●] below]/[Not applicable]]

(xvii) [AER Event 2 Underlying[s]: [See item [●] below]/[Not applicable]]

(xviii)[AER Event 1 Basket: [Applicable]/[Not applicable]]

(xix) [AER Event 2 Basket: [Applicable]/[Not applicable]]

**47. GENERAL PROVISIONS FOR VALUATION(S)**

(a) [Strike Date:] *[specify]*/[Not applicable]

[Currency Convention: [As per Currency Linked Note Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]

*(N.B. Only applicable to Currency Linked Note)*

(b) [Strike Price:] *[specify]* / [see item [●] above] / [Not applicable]

(c) [Redemption Valuation Date:] *[specify]*/[Not applicable]

[Currency Convention: [As per Currency Linked Note Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]

(d) [Averaging:] Averaging [applies/does not apply] to the Notes. [The Averaging Dates are *[specify]*.]

*(Not applicable to Inflation Linked Notes)*

[Currency Convention: [As per Currency Linked Note Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]

*(N.B. only applicable to Currency Linked Notes)*

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] (as defined in Base Condition 3) will apply.]

*(N.B. Not applicable to Commodity Linked Notes)*

(e) [Observation Dates:] *[[specify]*/[Not applicable]

[Currency Convention: [As per Currency Linked Note Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]

*(N.B. only applicable to Currency Linked Notes)*

[In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] [Observation Day Disruption Consequences are not applicable.]

*(N.B. Not applicable to Commodity Linked Notes)*

[Observation Day Disruption Consequences are not applicable.]

(f) [Observation Period:] [specify]/[Not applicable] (Not applicable to Inflation Linked Notes)

(g) [Settlement Business Day:] "**Settlement Business Day**" for the purposes of Base Condition 4 means [specify]. [Not applicable]

*(N.B. Only applicable in the case of Physical Delivery Notes)*

(h) [Note Threshold on the Issue Date]: [Specify]

*(Only relevant for Italian Listed Notes where Single Final Payout Capitalised Call and Put Notes and/or Automatic Early Redemption Payout Capitalised Call and Put Notes 1 are applicable)*

#### 48. PROVISIONS RELATING TO SECURITY

Whether Notes are Secured Notes: The Notes are [Secured/Unsecured]<sup>38</sup> Notes

[The provisions of Annex 13 (*Additional Terms and Conditions for Secured Notes*) shall [not] apply.]

*(If Notes are Unsecured Notes, delete the remaining sub-paragraphs of this item 48)*

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<sup>38</sup> If the Notes are CREST Dematerialised Notes "Unsecured" must be selected.

(a) Initial Collateral Assets: [Applicable/Not Applicable] *[If applicable describe this: for example wording see below:*

*[In the case where the Initial Collateral Assets are a loan or loans:*

[[currency] [amount]] of principal amount of a loan originally made by [●] to [●] as evidenced by [●] dated and *[describe transfer instrument to the Issuer]*

*[In the case where the Initial Collateral Assets are cash:*

[[currency] [amount]] deposited with [the Custodian]

*[In the case where the Initial Collateral Assets are debt securities:*

[[●] issued by [●] [and guaranteed by [●]]

[ISIN and Common Code: [●]]

*[In the case where the Initial Collateral Assets are equity securities:*

[[●] [type of fund shares] issued by [●]]

[ISIN: [●]]

Date of establishment of equity issuer: [●]

Publication of price information: [via exchange]

Frequency of publication: [daily]/[weekly]/[monthly]

Daily trading volumes: [●]

Regulatory authority: *[specify]*

[In the case where the Initial Collateral Assets are shares, units or interests in a UCITS Fund:

[[●] [type of fund shares] issued by [●]]

[ISIN: [●]]

[Issuer]/[Obligor] address: *[specify]*

Regulated market (or equivalent) on which [issuer]/[obligor]/[guarantor] is admitted to trading: *[insert details of Stock Exchange and related exchange, if applicable] [insert electronic link where the documentation in relation to the obligations can be found]*

(b) Eligible Collateral: [Applicable/Not applicable]

*[If applicable set out details out of criteria]*

(c) Charged Agreement/Collateral Arrangements: [Applicable/Not applicable]

*[(NB – for Secured Notes, one but not both of this paragraph (Charged Agreement/Collateral Arrangements) and the following paragraph (Collateral Arrangements Only) should be specified as applicable]*

(i) Counterparty: [Mediobanca - Banca di Credito Finanziario S.p.A.]/[Mediobanca International (Luxembourg) S.A.]/[Not applicable]

(ii) Charged Agreement[s]: [Transfer Agreement [and Credit Support Document]/[Not applicable]



(iii) Additional Charged [Applicable/Not applicable][*If Applicable, describe Agreement: this*]

(iv) Transfer Agreement: [Applicable/Not Applicable]

*[If Applicable, describe this, in particular the basis on which further Collateral Assets may be provided, if not adjusted in "Credit Support Document" below. For example wording see below:*

[The agreement entered into between the Issuer and the Counterparty evidenced by [an ISDA 2002 Master Agreement and schedule thereto entered into by the Issuer and the Counterparty] [a repurchase agreement] [a sale and purchase agreement] dated on or about the Issue Date of the first Tranche, [as supplemented by the Credit Support Document specified below] [and together with the confirmation entered into by the Issuer and the Counterparty in respect of the Secured Notes], the purpose of which is to allow the Issuer to perform its scheduled obligations under the terms of the Secured Notes and collateralise the Counterparty's obligations under the agreement (the "**Transfer Agreement**"). Accordingly, the Transfer Agreement provides that:

(A) initially, the Issuer shall pay to the Counterparty the proceeds of issue of the Secured Notes;

(B) over the term of the Secured Notes and at scheduled maturity thereof (and in certain circumstances on the early redemption of the Secured Notes) the Counterparty shall pay to the Issuer payments which correspond to those which the Issuer is scheduled to make to Noteholders under the Conditions; and

- (C) as collateral for the Counterparty's obligations under the Transfer Agreement over the term of the Secured Notes the Counterparty shall deliver the Initial Collateral Assets and from time to time additional Collateral Assets to the Issuer and, as applicable, the Issuer shall re-deliver Collateral Assets to the Counterparty, in each case (a) on the basis of the [*insert valuation period and timing of valuation*] fair market valuation of the existing Collateral Assets and the Secured Notes and (b) as soon as practicable following such valuation.]

r Agreement Termination Date: [●].]/

[The agreement entered into between the Issuer and the Counterparty evidenced by [an ISDA 2002 Master Agreement (Multicurrency – Cross Border) and schedule thereto entered into by the Issuer and the Counterparty] [a repurchase agreement] [a sale and purchase agreement] dated on or about the Issue Date of the first Tranche [together with the confirmation entered into by the Issuer and the Counterparty in respect of the Secured Notes], the purpose of which is to allow the Issuer to perform its scheduled obligations under the terms of the Secured Notes (the “**Transfer Agreement**”). Accordingly, the Transfer Agreement provides that:

- (A) initially, the Issuer shall pay to the Counterparty the proceeds of issue of the Secured Notes; and
- (B) over the term of the Secured Notes and at scheduled maturity thereof (and in certain circumstances on the early redemption of the Secured Notes) the Counterparty shall make payments to the Issuer equal to the payments

and/or deliveries which the Issuer is scheduled to make to Noteholders under the Conditions.

Transfer Agreement Termination Date: [●].]<sup>39</sup>

(v) Credit Support Document:

*[If Applicable describe this, including the basis on which further Collateral Assets may be provided. For example text, see below:*

[The ISDA 1995 Credit Support Annex (English law) between the Issuer and the Counterparty (the “**Credit Support Document**”) dated the Issue Date in respect of the first Tranche which provides that over the term of the Secured Notes the Counterparty will transfer to the Issuer by way of Credit Support the Initial Collateral Assets and from time to time additional Collateral Assets subject to an obligation of the Issuer to return such assets from time to time (in whole or in part, as applicable), in each case (a) on the basis of the *[insert valuation period and timing of valuation]* fair market valuation of the existing Collateral Assets and the Secured Notes and (b) as soon as practicable following such valuation.]]

(vi) (A) Counterparty's rights to assign and/or to delegate its rights and obligations under the Transfer Agreement:

[Applicable/Not Applicable]

(B) Security Ranking Basis:

[Counterparty Priority Basis]/[Noteholder Priority Basis]/[Pari Passu Basis]/[Other]

(C) Value Basis/Nominal Basis (specify for purposes of [Base

[Not Applicable][[Value/Nominal] Basis applies [and, where Value Basis applies, the Coverage Percentage is [●]%]

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<sup>39</sup> Delete as applicable.

Condition 18] (*Further Issues*)):

- (D) Value: [Specify determination method, including any relevant valuation haircuts, or state “The definition of “Value” in Secured Notes Condition 1 (*Definitions*) applies”]
- (d) Collateral Arrangements Only: [Applicable/Not applicable]
- [(NB – for Secured Notes, one but not both of this paragraph (Collateral Arrangements Only) and the preceding paragraph (Charged Agreement/Collateral Arrangements) should be specified as applicable]*
- (i) Adjustment of Collateral Assets: [Applicable/Not applicable]
- (ii) (A) Value Basis/Nominal Basis: [Not Applicable][[Value/Nominal] Basis applies [and, where Value Basis applies, the Coverage Percentage is [ ]%]
- (B) Value: [Specify determination method, including any relevant valuation haircuts, or state “Base Condition 13 applies”]
- (iii) (A) Issuer Collateral Assets Optional Top Up Right: [Applicable/Not applicable]
- (B) Issuer Collateral Assets Excess Removal Right: [Applicable/Not applicable]
- (C) Issuer Collateral Assets Maintenance Obligation: [Applicable/Not applicable]

- (D) Issuer Collateral Assets Substitution Right (with coverage test): [Applicable/Not applicable]
- (E) Issuer Collateral Assets Substitution Right (without coverage test): [Applicable/Not applicable]
- (e) Custodian: [●] [BNP PARIBAS, Luxembourg Branch]/[Not Applicable]/[Other][*Insert details*]
- [Include details of Custody Agreement entered into if Custodian is not BNP PARIBAS, Luxembourg Branch and relevant governing law]
- (f) Account Bank: [●] [BNP PARIBAS, Luxembourg Branch]/[Not Applicable]/[Other][*Insert details*]
- [Include details of Account Bank Agreement entered into if Account Bank is not BNP PARIBAS, Luxembourg Branch and relevant governing law]
- (g) Early Redemption: [Early redemption upon a Charged Agreement Termination: [Applicable/Not applicable]]
- [Note enforceable on termination of Transfer Agreement: [No] [Yes, if terminated as a result of an event of default occurring under the Transfer Agreement]]
- [Early redemption upon a Regulatory Event: [Applicable/Not applicable]]
- (h) Additional Event of Default: [Applicable]/[Not Applicable].
- [If applicable, describe Additional Event of Default]

(i) Additional Charging Document: [Applicable]/[Not Applicable].

*[If applicable, describe Additional Charging Document, including any Luxembourg pledge]*

[For the purpose of the Notes the terms specified in these Final Terms are deemed to be incorporated into the Terms and Conditions of the Notes as amended and/or supplemented by the provisions of the Additional Terms and Conditions set out in the Annex specified in the Final Terms (the "**Conditions**") and shall thereby complete the Conditions for the purpose of the Notes and these Final Terms may be regarded as evidencing the complete Conditions.]<sup>40</sup>

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<sup>40</sup> To be inserted if the Notes are CREST Dematerialised Notes.

**RESPONSIBILITY [AND THIRD PARTY INFORMATION]**

The information contained in these Final Terms [[●] has been extracted from [●]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.].

[The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms.]

[The Issuer [and the Guarantor] accept[s] responsibility for this unsigned document in PDF format dated on the date mentioned below that is the final version of the Final Terms relating to the Notes described herein.]

[Signed on behalf of the relevant Issuer:

By:.....

[By: .....

Duly authorised

Duly authorised]

[Signed on behalf of the Guarantor:

By:.....

[By: .....

Duly authorised

Duly authorised]]

**PART B – OTHER INFORMATION**

**1. LISTING AND ADMISSION TO TRADING<sup>41</sup>** [Not applicable]

(i) Listing<sup>42</sup>: [Official List of the [Euronext Dublin]/[Luxembourg Stock Exchange]/[Euronext Paris]] [SeDeX] [EuroTLX] [Euronext Access Paris]/[specify other trading venues not being a regulated market for the purpose of Directive 2014/65/EU]/[None]]

(ii) Admission to trading<sup>43</sup>: [Application [has been made][is expected to be made] by the relevant Issuer (or on its behalf) for the Notes to be admitted to trading on [[the regulated market [of the [Euronext Dublin] [Luxembourg Stock Exchange][ Euronext Paris] [SeDeX multilateral trading facility which is not a regulated market for the purpose of Directive 2014/65/EU] [the multilateral trading facility of EuroTLX which is not a regulated market for the purpose of Directive 2014/65/EU] [the multilateral trading facility of Euronext Access Paris which is not a regulated market for the purpose of Directive 2014/65/EU] with effect from [•]]/[specify other trading venues not being a regulated market for the purpose of Directive 2014/65/EU] [Not applicable]

[The Issuer reserves the right to make [further] application[s] for the Notes to be admitted to listing and/or trading on [additional] markets/trading venues.]

[[Mediobanca – Banca di Credito Finanziario S.p.A.]/[•] will act as Liquidity Provider with reference to the Notes traded on [•].]

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<sup>41</sup> Include only where listing of Notes is anticipated.

<sup>42</sup> Where application is only made for the Notes to be admitted to trading on a multilateral trading facility and no application for the admission to trading on a regulated market in the European Economic Area nor any offer in the European Economic Area or the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the UK Prospectus Regulation are provided for, this document will not constitute the Final Terms for the purposes of Article 8 of the Prospectus Regulation but will constitute a pricing supplement.

<sup>43</sup> Where application is only made for the Notes to be admitted to trading on a multilateral trading facility and no application for the admission to trading on a regulated market in the European Economic Area nor any offer in the European Economic Area or the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the UK Prospectus Regulation are provided for, this document will not constitute the Final Terms for the purposes of Article 8 of the Prospectus Regulation but will constitute a pricing supplement.



*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

[(iii)] [Estimate of total expenses related to admission to trading:] [●]/[Not applicable]

**2. RATINGS**

[Not applicable]

Ratings:

[The Notes to be issued [have been]/[are expected to be] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].

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

[●].

*[Depending on the status of the credit rating agency with respect to the CRA Regulation, the wording below should be considered]*

*[[Insert the legal name of the relevant CRA entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). As such [*insert the legal name of the relevant CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation – see <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>.]*

*[[Insert the legal name of the relevant non-EU CRA entity] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [*Insert the legal name of the relevant non-EU CRA entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]*

*[[Insert the legal name of the relevant non-EU CRA entity] is not established in the European Union and has not*

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applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). The ratings [have been/are expected to be] endorsed by [*insert the legal name of the relevant EU CRA entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU CRA entity*] is established in the European Union and registered under the CRA Regulation. As such [*insert the legal name of the relevant EU CRA entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation – see <https://www.esma.europa.eu/credit-rating-agencies/cra-> authorisation. The European Securities Markets Authority has indicated that ratings issued in [Japan / Australia / the USA / Canada / Hong kong / Singapore / Argentina / Mexico / the United Kingdom (delete as appropriate)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU, by the relevant market participants.]

[[*Insert the legal name of the relevant non-EU CRA entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"), but it [is]/[has applied to be] certified in accordance with the CRA Regulation [and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation – see <https://www.esma.europa.eu/credit-rating-agencies/cra-> authorisation]/[although notification of the corresponding certification decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant non-EU CRA entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert the legal name of the relevant CRA entity*] is established in the European Union and has applied for

registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority [and *[insert the legal name of the relevant CRA entity]* is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

*[[Insert the legal name of the relevant non-EU CRA entity]* is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). However, the application for registration under the CRA Regulation of *[insert the legal name of the relevant EU CRA entity that applied for registration]*, which is established in the European Union disclosed the intention to endorse credit ratings of *[insert the legal name of the relevant non-EU CRA entity]*[, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and *[insert the legal name of the relevant EU CRA entity]* is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation]. The European Securities Markets Authority has indicated that ratings issued in [Japan / Australia / the USA / Canada / Hong Kong / Singapore / Argentina / Mexico / the United Kingdom (delete as appropriate)] which have been endorsed by *[insert the legal name of the relevant EU CRA entity that applied for registration]* may be used in the EU by the relevant market participants.]

**3. NOTIFICATION**

[Not applicable.] [The Central Bank of Ireland [has been requested to provide/has provided – *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the *[names of competent authorities of host member states]* with a certificate of approval attesting that the Base Prospectus [and the supplement thereto dated [●]] has been drawn up in accordance with the Prospectus Regulation.]

[The Final Terms have been filed with the Central Bank of Ireland for onward communication to the *[insert placeholders for competent authority of each Host Member State]*.]

**4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER/LISTING**

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

“Save *[for the fees [of [insert relevant fee disclosure]] payable to the [Dealer(s)/Distributors]/[include other entities] and]* as discussed *[in the "[●]" paragraph in the "[●]" section in the Base Prospectus]*, so far as the relevant Issuer is aware, no *[other] person involved in the [issue/offer/listing] of the Notes has an interest material to the [issue/offer/listing].”*]

*[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation]*

[Not applicable]

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

- (i) Reasons for the offer: [Not applicable] / [See "Use of Proceeds" in the Base Prospectus] / *[give details]*

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

*(Delete the remaining sub-paragraphs of this paragraph if Eligible Green Assets, Eligible Social Assets or Eligible Sustainability Assets are not relevant. Otherwise, insert the details below, to the extent known at the date of the Final Terms.)*

[The net proceeds of the issue of Notes will be applied by the Issuer to finance or refinance, in whole or in part, Eligible *[Green / Social / Sustainability]* Assets[, as set out in further detail below]. [Further details on Eligible *[Green/Social/Sustainability]* Assets are included in the “Mediobanca Green and Sustainable Bond Framework”,

which will be made available, [together with the Second-party *Opinion*,] at <https://www.mediobanca.com/en/investor-relations/financing-rating/green-social-and-sustainability-bond-framework.html>. Capitalised terms shown below have the meaning given to them in the section of the Base Prospectus entitled “Use of Proceeds”.]

- [Eligible assets: [ ]]
  - Periodic updates: *(Insert details of periodic updates, including an updated list of Eligible Green Assets, Eligible Social Assets or Eligible Sustainability Assets (as the case may be) financed and/or refinanced with the net proceeds of the Notes, the amounts allocated and their expected impact, any ongoing process of verification and information on key performance indicators relating to such projects.)*
  - Documents on display: *(State where the list of eligible assets and any documents containing periodic updates are or will be available for viewing by Noteholders.)*
- (ii) Estimated net proceeds: [Not applicable] / [Up to] [●]
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (iii) Estimated total expenses: [Not applicable] / [●]
- [Include breakdown of expenses.]<sup>44</sup>*
- 6. YIELD** [Applicable]/[Not applicable]
- [fixed rate Notes only]*
- Indication of yield: [●]
- Calculated as *[include details of method of calculation in summary form]* on the Issue Date using [the ICMA

<sup>44</sup> It is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.

Method] [●].

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price[,] [and] the [Interest Rate][and Fixed Interest Amount] [and the Broken Amount]. It is not an indication of future yield.

**7. HISTORIC INTEREST RATES**

*[floating rate Notes only]*

Historic interest rates: [Not applicable] [Details of historic [EURIBOR/SONIA/SOFR/€STR/SARON/CMS/] can be obtained [free of charge] [at a charge] from [Reuters]/[●].]

**8. FURTHER INFORMATION PUBLISHED BY THE ISSUER**

*[Not applicable if the Notes are Credit Linked Notes]*

[The Issuer does not intend to provide any further information on the past and future performance and/or volatility of the Underlying Reference. [The Issuer will provide further information relating to the past and future performance and/or volatility of the Underlying Reference on *[insert source [●]]* [and update the information on an ongoing basis following issuance of the Notes]. Such information will include *[describe information: [●]]*

**9. INFORMATION RELATING TO THE UNDERLYING REFERENCE**

[Information on the past and future performance of the Underlying Reference[s] and [its][their] volatility can be obtained [free of charge] [at a charge] [●] /[[on the public website on www. [ ] [ ] [and on the [Bloomberg] or [Reuters] page as provided for each Component composing the Underlying Reference. *[NB ensure such page is given there]* *[If no public information exists, insert: in a physical form at the offices of [insert address/telephone number]]*

*[In case of Credit Linked Notes, insert:*

*[Where the Reference Entity or the Reference Obligation is a single entity or is a single obligation, or in the case of a basket of Reference Entities or Reference Obligations where a single reference entity or single obligation represents 20% or more of the basket:*

*[If the Reference Entity (or obligor in respect of the Reference Obligation) has no securities admitted to trading on a regulated market, equivalent third country market or SME Growth Market, so far as the Issuer is aware and/or able to ascertain from information published by the Reference Entity (or*

*by the obligor in respect of the Reference Obligation), supplement or drawdown prospectus will include information relating to the Reference Entity (or to the obligor in respect of the Reference Obligation) as if it were the issuer (in accordance with the registration document for wholesale non-equity securities)]*

*[If the Reference Entity (or the obligor in respect of the Reference Obligation) has securities already admitted to trading on a regulated market, equivalent third country market or SME Growth Market, so far as the Issuer is aware and/or able to ascertain from information published by the Reference Entity (or by the obligor in respect of the Reference Obligation), its name, ISIN, address, country of incorporation, industry or industries in which the Reference Entity (or the obligor in respect of the Reference Obligation) operates and the name of the market in which its securities are admitted]]*

*[In the case of a basket of Reference Entities or Reference Obligations, where a single reference entity or reference obligation represents less than 20 % of the basket:*

Name(s) of [the Reference Entities] [the obligors in respect of the Reference Obligations]:

ISIN:]]

*[If the relevant Underlying Reference is an index or basket of indices, insert:*

The sponsor of the, or each, index composing the Underlying Reference also maintains an Internet Site at [the following address] [•] where further information may be available in respect of the Underlying Reference.

[Name of Index Sponsor Website

*[Insert relevant disclaimer for each index:]]*

**10. OPERATIONAL INFORMATION**

ISIN: [ ]

Common Code: [ ]

CFI: [ ][Not Applicable]

FISN: [ ][Not Applicable]

New Global Note Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs<sup>45</sup> as Common Safekeeper [(and registered in the name of a nominee of one of the ICSDs acting, as

<sup>45</sup> The International Central Securities Depositories (i.e. Euroclear S.A./N.V. and Clearstream Banking, société anonyme).

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Common Safekeeper),] *[include this text for Registered Notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[include this text if "yes" selected in which case the Notes must be issued in NGN form]*

/[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper),]*[include this text for Registered Notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

Relevant Clearing System(s): [Euroclear and Clearstream/ Euroclear UK & Ireland/Euronext Securities Milan/other]

*[if CDIs add:* The Notes will be accepted for settlement in Euroclear UK and Ireland (CREST) via the CREST Depositary Interest (CDI) mechanism]

If other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme include the relevant identification number(s): [Not applicable/*give name(s) and number(s)*]

Delivery: Delivery [against/free of] payment

Names and addresses of additional [ ]/[Not applicable]

Paying Agent(s) (if any):



11. **DISTRIBUTION**<sup>46</sup> [Not applicable]
- (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not applicable/give names and addresses and underwriting commitments]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of [Subscription] Agreement: [Not applicable] [ ]
- (iii) Stabilising Manager(s) (if any): [Not applicable/give name]
- (iv) If non-syndicated, name of Dealer: [Not applicable/give name]
- (v) Non-exempt offer: [Not applicable] [An offer of the Notes may be made by [the Managers and] [specify if applicable] other than pursuant to Article 1(4) of the Prospectus Regulation in [specify relevant member state(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] ("**Public Offer Jurisdictions**") during the period from [specify date] until [specify date] ("**Offer Period**"). See further item 12 (*Terms and Conditions of the Offer*) of Part B below.]
- (vi) Prohibition of Sales to EEA Retail Investors: [Applicable] [Not Applicable]
- (If the Notes clearly do not constitute "packaged" products or the Notes do not constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
- (vii) Prohibition of Sales to UK Retail Investors: [Applicable] [Not Applicable]
- (If the Notes clearly do not constitute "packaged" products or the Notes do not constitute "packaged"*

<sup>46</sup> Delete if the Notes are issued in denominations of Euro 100,000 or more.

*products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

**12. TERMS AND CONDITIONS OF THE OFFER<sup>47</sup>** [Applicable]/[Not applicable]

*(If not applicable delete the remaining sub-paragraph of this item 12)*

Offer Period: [Specify]

Offer Amount: [give details] **provided that**, during the Offer Period, the Issuer will be entitled [(following consultation with the relevant Dealer(s))] to increase such Offer amount up to [●] [provided [further] that, during the Offer Period the Issuer will be entitled [(following consultation with the relevant Dealer(s))] to extend the length of the Offer Period]. The Issuer [and the relevant Dealer(s)] shall forthwith give notice of any such [increase] [and/or] [extension] pursuant to Base Condition 16 (*Notices*) and comply with any applicable laws and regulations.]

Offer Price: [Issue Price][specify]

Conditions to which the offer is subject: [Not applicable/give details]

Description of the application process: [Not applicable/give details]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable/give details]

Details of the minimum and/or maximum amount of application: [Not applicable/give details]

Details of the method and time limits for paying up and delivering the Notes: [Not applicable/give details]

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<sup>47</sup> Delete if the Notes are issued in denominations of Euro 100,000 or more.

<p>Manner in and date on which results of the offer are to be made public:</p>	<p>[Not applicable/<i>give details</i>]</p>
<p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</p>	<p>[Not applicable/<i>give details</i>]</p>
<p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</p>	<p>[Not applicable/<i>give details</i>]</p>
<p>Amount of any expenses and taxes specifically charged to the subscriber:</p>	<p>[Not applicable/<i>give details</i>]</p> <p><i>(Where the Issuer is subject to Regulation (EU) No. 1286/2014 or Directive 2014/65/EU and to the extent that they are known, include those expenses contained in the price)</i></p>
<p>Name(s) and address(es), to the extent known to the relevant Issuer, of the placers in the various countries where the offer takes place.</p>	<p>[None/<i>give details</i>]</p>
<p>Consent to use of Base Prospectus</p>	<p>[The Issuer consents to the use of the Base Prospectus in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] [and] [or] [France] by all financial intermediaries (general consent).]</p> <p>[General consent for the subsequent resale or final placement of the Notes in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] [and] [or] [France] by the financial intermediary[y][ies] is given in relation to [●].]</p> <p>[The Issuer consents to the use of the Base Prospectus in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] [and] [or] [France] by the following financial intermediary[y][ies] (individual consent): <i>[insert names] and address[es]</i>].]</p> <p>[Individual consent for the subsequent resale or final</p>

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placement of the Notes in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] [and] [or] [France] by the financial intermediary[y][ies] is given in relation to [] to *[insert names] and address[es]* and *[give details]*.

[The Issuer[s]'s consent to the use of the Base Prospectus by each [Dealer] [and] [financial intermediary] is subject to the condition that such [Dealer] [and] [financial intermediary] complies with the applicable selling restrictions as well as the terms and conditions of the offer.]

[Such Issuer[s]'s consent to the use of the Base Prospectus is also subject and given under condition that the [Dealers] [and] [financial intermediaries] using the Base Prospectus commit[s] [themselves] [itself] towards [their] [its] customers to a responsible distribution of the Notes. This commitment is made by the publication of the [Dealers] [and] [financial intermediaries] on [their] [its] website stating that the prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent.] [Beside, such consent is not subject to and given under any condition.]

[The subsequent resale or final placement of the Notes in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] [and] [or] [France] by financial intermediaries can be made [as long as the Base Prospectus is valid in accordance with article 12 of the Prospectus Regulation] [ ].]

**13. SECONDARY MARKET** [Applicable<sup>48</sup>] [Not applicable]  
**PRICING**

*(If not applicable, delete the remaining sub-paragraph of this item 13)*

[In the event that the Issuer decides to purchase the Notes from the Noteholders prior to the Maturity Date, the

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<sup>48</sup> Where application is only made for the Notes to be admitted to trading on a multilateral trading facility and no application for the admission to trading on a regulated market in the European Economic Area nor any offer in the European Economic Area or the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the UK Prospectus Regulation are provided for, this document will not constitute the Final Terms for the purposes of Article 8 of the Prospectus Regulation but will constitute a pricing supplement.

secondary market pricing provided by the Issuer on the Notes will reflect [●] (*give details of hedge unwinding costs and/or loss of profit related to such hedging portfolio*)

[A secondary market for the Notes will be available [through the multilateral trading facility of [EuroTLX][SeDeX][[●], where Mediobanca/[●] will act as Liquidity Provider with a maximum bid/ask spread of [●] per cent. [under normal market conditions]/[specify other].]

**14. SPECIFIC BUY BACK PROVISIONS** [Applicable] [Not applicable]

*(If not applicable, delete the remaining sub-paragraph of this item 14)*

[The value of the Notes shall reflect and shall be calculated on the basis of the Market Value of the Underlying Transactions.

The Market Value of the Underlying Transactions affects the repurchase price (Buy Back Price), if any, of the Notes, before their maturity.]

- Underlying Transactions: Information on the composition (*unbundling*) of the Interest Basis, in particular the Extra-Yield with respect to the yield of Notes with equal payoff but without Specific Buy Back Provisions, and the composition of the Underlying Transactions, and any relevant changes thereof, shall be published on [the website of Mediobanca [www.mediobanca.it](http://www.mediobanca.it)] [the website of Mediobanca International [www.mediobancaint.lu](http://www.mediobancaint.lu)] [the website of MBFL [●]] [the website of the Luxembourg Stock Exchange] [the website of Euronext Dublin] [*specify alternative method of publication*]].]

- Specified Currency: [*specify*]

**15. [EU BENCHMARKS REGULATION]**

**[Benchmarks:**

[Amounts payable] [and] [Assets deliverable] under the Notes will be determined by reference to [●] which is provided by [●]. *(if more than one, specify in relation to each relevant Benchmark)*

As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**EU BMR**"). [As far as the Issuer is aware [[*insert name of Benchmark[s]/the [relevant] Benchmark*] [does/do] not fall within the scope of the EU BMR by virtue of Article 2 of the EU BMR.]/[, the transitional provisions in Article 51 of the EU BMR apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]

[Amounts payable] [and] [Assets deliverable] under the Notes will be determined by reference to [●] which is provided by [●]. *(if more than one, specify in relation to each relevant Benchmark)*

As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) as it forms part of "retained EU law", as defined in the EUWA (the "**UK BMR**"). [As far as the Issuer is aware [[*insert name of Benchmark[s]/the [relevant] Benchmark*] [does/do] not fall within the scope of the UK BMR by virtue of Article 2 of the UK BMR.]/[, the transitional provisions in Article 51 of the UK BMR apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the United Kingdom, recognition, endorsement or equivalence).]]

**PART C – OTHER APPLICABLE TERMS**

*[Insert other relevant information and provisions in accordance with Annex 28 of Commission Delegated Regulation (EU) 2019/980, such as (i) additional provisions, not required by the relevant securities notes, relating to the underlying country(ies) where the offer(s) to the public takes place, (ii) country(ies) where admission to trading on the regulated market(s) is being sought, (iii) country(ies) into which the relevant base prospectus has been notified, (iv) series number, (v) tranche number. Delete if not required]*

**PART D – SUMMARY OF THE SPECIFIC ISSUE**

*[Insert Summary of the specific issue]*



## PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Provisions relating to Notes while in Global Form

#### *Clearing System Accountholders*

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary (in the case of a CGN) or a common safekeeper (in the case of an NGN) for Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

#### *Exchange of Temporary Global Notes*

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and (in the case of an NGN) effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global to or to the order of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons,

Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (Luxembourg time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (Luxembourg time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of (b) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deeds of Covenant. Under the Deeds of Covenant, persons shown in the records of Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system.

Where the Notes are listed on the Euronext Dublin and its rules so require, the Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Base Condition 16 (*Notices*).

#### *Exchange of Permanent Global Notes*

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and, where applicable, with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note

against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deeds of Covenant). Under the relevant Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system.

Where the Notes are listed on the Euronext Dublin and its rules so require, the relevant Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Base Condition 16 (*Notices*).

*Conditions applicable to Global Notes*

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that, in respect of a CGN, the payment is noted on a schedule thereto and, in respect of an NGN, the payment is entered *pro rata* in the records of Euroclear and Clearstream Luxembourg.

*Notices:* Notwithstanding Condition 16 (*Notices*) of the Base Conditions, while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary, common depositary or common safekeeper (as the case may be) for Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 16 (*Notices*) of the Base Conditions, on the date of delivery to Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system; *provided, however, that*, so long as the Notes are listed on the Official List of the Euronext Dublin and its rules so require, notices will also be published in a leading newspaper having general circulation in Ireland or on the website of the Euronext Dublin ([www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin)).

## USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be used for the general corporate purposes of the relevant Issuer.

### **Green, Social or Sustainability Bonds**

If the Tranche of the Notes to be issued is described as Green Bonds and/or Social Bonds and/or Sustainability Bonds, the relevant Final Terms will describe the relevant projects to which the net proceeds of the Tranche of Notes will be applied, including by reference to the relevant bond framework and where further details of the relevant projects will be available. In accordance with the relevant definition criteria set out by the International Capital Market Association (“**ICMA**”) from time to time:

- (a) only Tranches of Notes financing or refinancing Eligible Green Assets will be denominated “Green Bonds”;
- (b) only Tranches of Notes financing or refinancing Eligible Social Assets will be denominated “Social Bonds”; and
- (c) only Tranches of Notes financing or refinancing Eligible Sustainability Assets will be denominated “Sustainability Bonds”.

In the event of a project divestment or if a project no longer meets the eligibility criteria, an amount equal to the net proceeds of the “Green Bonds”, “Social Bond” or “Sustainability Bonds” will be used to finance or refinance other projects qualifying as Eligible Green Assets, Eligible Social Assets or Eligible Sustainability Assets, as the case may be.

### ***Green Bonds***

Eligible Green Assets have been defined in accordance with the broad categorisation of eligibility for green projects set out in the Green Bond Principles published by ICMA. For the purpose of this section, “**Eligible Green Assets**” include projects aimed at addressing the key climate change concerns referred to in the “*Mediobanca Green and Sustainable Bond Framework*” published in the Mediobanca’s website at <https://www.mediobanca.com/en/investor-relations/financing-rating/green-social-and-sustainability-bond-framework.html>.

### ***Social Bonds***

Eligible Social Assets have been defined in accordance with the broad categorisation of eligibility for social projects set out in the Social Bond Principles published by ICMA. For the purpose of this section, “**Eligible Social Assets**” include projects aimed at providing and/or promoting the social projects referred to in the “*Mediobanca Green and Sustainable Bond Framework*” published in the Mediobanca’s website at <https://www.mediobanca.com/en/investor-relations/financing-rating/green-social-and-sustainability-bond-framework.html>.

### ***Sustainability Bonds***

For the purpose of this section, “**Eligible Sustainability Assets**” means projects with positive environmental and social outcomes, in accordance with the applicable Sustainability Bond Guidelines published by ICMA (involving a combination of its Green Bond Principles and Social Bond Principles), as further specified in the “*Mediobanca Green and Sustainable Bond Framework*” published in the Mediobanca’s website at <https://www.mediobanca.com/en/investor-relations/financing-rating/green-social-and-sustainability-bond-framework.html>.

### ***Second-party Opinion***

Where the Final Terms specify that the proceeds to the Notes will be used to finance or refinance Eligible Green Assets, Eligible Social Assets or Eligible Sustainability Assets (in whole or in part), the Issuer may appoint consultants and/or institutions with recognised expertise in environmental sustainability to issue a second-party opinion (a “**Second-party Opinion**”) attesting that the relevant projects have been defined in accordance with the broad categorisation of eligibility for those projects set out by ICMA.

The Final Terms relating to such Notes will specify (to the extent known at the relevant date):

- (i) further details of the Eligible Green Assets, Eligible Social Assets or Eligible Sustainability Assets selected by the Issuer for financing and/or refinancing with the net proceeds of the issue of the Notes;
- (ii) where a list of the relevant projects is or will be available for viewing by Noteholders; and
- (iii) details of periodic updates, including an updated list of the relevant projects financed and/or refinanced with the net proceeds of the Notes, the amounts allocated and their expected impact, any ongoing process of verification, information on key performance indicators relating to such projects and where that information will be made available for viewing by Noteholders.

## INFORMATION ON MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A.

*This section of the Base Prospectus reflects the contents of certain information contained in the audited consolidated annual financial statements of Mediobanca and the audited non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2022 and 2021.*

### History and development of Mediobanca

#### *Legal status and information*

Mediobanca – Banca di Credito Finanziario S.p.A. was set up on 10 April 1946 by virtue of a notarial deed drawn up by Notary public Arturo Lovato, file no. 3041/52378. Mediobanca is a joint stock company incorporated under Italian law registered in the Milan-Monza-Brianza-Lodi Companies' Register under Registration no. 00714490158 having its registered office and administrative headquarters in Piazzetta Enrico Cuccia 1, 20121 Milan, Italy, tel. No.: (0039) 02-88291. The LEI code of Mediobanca is: PSQL19R2RXX5U3QWHI44. Mediobanca operates under Italian law, and the court of Milan has jurisdiction over any disputes arising against it. At the date hereof, Mediobanca's issued share capital totals Euro 444,169,467.5, represented by 849,257,474 registered shares.

#### *Important events in Mediobanca's recent history*

Neither Mediobanca nor any company in the Group have carried out transactions that have materially affected or that might be reasonably expected to materially affect, Mediobanca's ability to meet its obligations towards third parties.

On 24 May 2023, Mediobanca's Board of Directors approved the guidelines of its 2023-26 Strategic Plan (the "**Strategic Plan**") – and unveiled it to the financial community on the same date – based on the results achieved in the past four years.

The Strategic Plan contains certain targets to be reached by end-June 2026 (the "**Plan Objectives**"). The Plan Objectives include a growth of the Mediobanca Group in all the segments in which it operates (Wealth Management, Corporate & Investment Banking, Consumer Finance, Insurance, Holding Functions) in terms of (among others) profitable assets, revenues, earnings and profitability. As at the date hereof, the Plan Objectives and strategic targets were generally confirmed.

Mediobanca has been assigned with the following rating levels:

Rating agency	Rating type	Short-term debt	Long-term debt	Outlook	Most recent rating action
S&P's	Issuer Credit Rating ("ICR")	A-2	BBB	<i>Stable</i>	29 July 2022

Fitch Ratings	Issuer Default Rating (“IDR”)	F3	BBB	<i>Stable</i>	17 December 2021
Moody’s	Issuer Default Rating (“IDR”)	P-2	Baa1	<i>Negative</i>	9 August 2022

Mediobanca will publish updated information on its ratings on its website [www.mediobanca.com](http://www.mediobanca.com) in the specific section [www.mediobanca.com/en/investor-relations/financing-rating/rating.html](http://www.mediobanca.com/en/investor-relations/financing-rating/rating.html).

For an explanation of the rating given by S&P please see below the S&P rating scale:

LONG TERM obligations with an original maturity of more than one year	SHORT TERM obligations with an original maturity of no more than one year
<b>Investment grade</b>	<b>Investment grade</b>
<p>AAA</p> <p>The obligor's capacity to meet its financial commitment on the obligation is extremely strong.</p> <p>AA</p> <p>The obligor's capacity to meet its financial commitment on the obligation is very strong. An obligation rated 'AA' differs from the highest-rated obligations only to a small degree.</p> <p>A</p> <p>The obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.</p> <p>BBB</p> <p>The obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to</p>	<p>A-1</p> <p>The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.</p> <p>A-2</p> <p>The obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.</p> <p>A-3</p> <p>The obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.</p>



a weakened capacity of the obligor to meet its financial commitment on the obligation.	
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(Source: Standard & Poor's)

<b>LONG TERM</b> obligations with an original maturity of more than one year	<b>SHORT TERM</b> obligations with an original maturity of less than one year
<b>Speculative grade</b>	<b>Speculative grade</b>
<p><b>BB</b></p> <p>The obligation is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.</p>	<p><b>B</b></p> <p>The obligation is regarded as having significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.</p>
<p><b>B</b></p> <p>The obligation is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.</p>	<p><b>B -1</b></p> <p>The obligation is regarded as having significant speculative characteristics, but the obligor has a relatively stronger capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.</p>
<p><b>CCC</b></p> <p>The obligation is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.</p>	<p><b>B -2</b></p> <p>The obligation is regarded as having significant speculative characteristics, and the obligor has an average speculative-grade capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.</p>
<p><b>CC</b></p>	<p><b>B -3</b></p> <p>The obligation is regarded as having significant speculative characteristics, and the obligor has a relatively weaker capacity to meet its financial</p>

<p>The obligation is currently highly vulnerable to nonpayment.</p>	<p>commitments over the short-term compared to other speculative-grade obligors.</p>
<p>C</p>	<p>C</p>
<p>A 'C' rating is assigned to obligations that are currently highly vulnerable to nonpayment, obligations that have payment arrearages allowed by the terms of the documents, or obligations of an issuer that is the subject of a bankruptcy petition or similar action which have not experienced a payment default.</p>	<p>The obligation is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.</p>
<p>D</p>	<p>D</p>
<p>The obligation is in payment default. The 'D' rating category is used when payments on an obligation, including a regulatory capital instrument, are not made on the date due even if the applicable grace period has not expired, unless Standard &amp; Poor's believes that such payments will be made during such grace period.</p>	<p>The obligation is in payment default. The 'D' rating category is used when payments on an obligation, including a regulatory capital instrument, are not made on the date due even if the applicable grace period has not expired, unless Standard &amp; Poor's believes that such payments will be made during such grace period.</p>

*NB: ratings from "AA" to "CCC" inclusive can be modified by adding the "+" or "-" minus sign to specify the position.*

For an explanation of the rating given by Fitch please see below the Fitch rating scale:

<p><b>LONG TERM</b> obligations with an original maturity of more than one year</p>	<p><b>SHORT TERM</b> obligations with an original maturity of no more than one year</p>
<p><b>Investment grade</b></p> <p>AAA</p> <p>Denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.</p> <p>AA</p>	<p><b>Investment grade</b></p> <p>F-1</p> <p>Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.</p> <p>F-2</p>

<p>Denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.</p> <p><b>A</b></p> <p>Denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings</p> <p><b>BBB</b></p> <p>Indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.</p>	<p>Good intrinsic capacity for timely payment of financial commitments.</p> <p>F-3</p> <p>The intrinsic capacity for timely payment of financial commitments is adequate.</p>
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(Source: Fitch Ratings)

<p style="text-align: center;"><b>LONG TERM</b></p> <p style="text-align: center;">obligations with an original maturity of more than one year</p>	<p style="text-align: center;"><b>SHORT TERM</b></p> <p style="text-align: center;">obligations with an original maturity of less than one year</p>
<p style="text-align: center;"><b>Speculative grade</b></p> <p><b>BB</b></p> <p>Indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.</p> <p><b>B</b></p> <p>Indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to</p>	<p style="text-align: center;"><b>Speculative grade</b></p> <p><b>B</b></p> <p>Minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions.</p> <p><b>C</b></p> <p>Default is a real possibility.</p> <p><b>RD</b></p> <p>Indicates an entity that has defaulted on one or more of its financial commitments, although it continues to</p>

deterioration in the business and economic environment.	meet other financial obligations. Applicable to entity ratings only.
CCC	D
Default is a real possibility.	Indicates a broad-based default event for an entity, or the default of a short-term obligation.
CC	
Default of some kind appears probable.	
C	
Default is imminent or inevitable, or the issuer is in standstill.	
RD	
Indicate an issuer that in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business.	

For an explanation of the rating given by Moody's please see below the Moody's rating scale:

<b>LONG TERM</b> obligations with an original maturity of more than one year
Aaa
Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.
Aa
Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
A
Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.
Baa

Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Ba

Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

B

Obligations rated B are considered speculative and are subject to high credit risk.

Caa

Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.

Ca

Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C

Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 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. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.

*(Source: Moody's)*

S&P Global Ratings Europe Limited (formerly, Standard & Poor's Credit Market Services Italy S.r.l.) ("**S&P**"), Fitch Ratings ("**Fitch**") and Moody's France S.A.S. ("**Moody's**") are credit rating agencies which are established in the European Community and have been registered in accordance with Regulation (EC) No. 1060/2009 (as subsequently amended and supplemented) (the "**CRA**"). As such, S&P, Fitch and Moody's are included in the latest list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA – see <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

## **BUSINESS OVERVIEW**

*Principal categories of products sold and/or services provided*

As provided in Article 3 of the company's Articles of Association, the purpose of the company is to raise funds and provide credit in any of the forms permitted, especially medium- and long-term credit to corporates.

In complying with the regulatory provisions in force, the company may perform all banking, financial and brokerage operations and services, and any other operation instrumental or otherwise related to the achievement of its corporate purpose.

The Mediobanca Group's activities are segmented as follows:

- **Wealth Management (WM):** this division brings together all asset management activities provided to clients in the following segments:
  - Premier, served by CheBanca!;
  - Private & HNWI, served in Italy by Mediobanca Private Banking, and in the Principality of Monaco by CMB Monaco, including fiduciary activities performed by Spafid, Spafid Family Office SIM and Spafid Trust;
  - Asset Management, the principal entities in which are the product factories Polus Capital (Alternative AM), RAM Active Investments (Alternative AM), Mediobanca Management Company, Mediobanca SGR, and, since September 2021, also Bybrook Capital LLP, an alternative asset manager focused on the European distressed market.
- **Corporate & Investment Banking (CIB):** this division brings together all services provided to corporate clients:
  - Wholesale Banking (WB): Client Business (lending, advisory, and capital market activities) and proprietary trading performed by Mediobanca, Mediobanca International, Mediobanca Securities and Messier & Associés;
  - Specialty Finance: factoring, performed by MBFACTA, and credit management (on behalf of third parties only), performed by MBCredit Solutions and MBContact Solutions. Last year the Group decided to spin off its NPL portfolio acquisition business unit, commencing a gradual and orderly disposal process. Accordingly, the business has been spun off to the newly-incorporated company Revalea (set up in April 2022 and 100%-owned by Compass. Thus from 1Q FY 2022-23, all NPL management activities have been transferred to the Holding Functions division.
- **Consumer Banking (CB):** this division provides retail clients with the full range of consumer credit products: personal and special-purpose loans, salary-backed finance, credit cards, plus a buy-now-pay-later solution called "Pagolight". This year for the first time the division also includes the Group's investments in the two fintech operators HeidiPay and Soisy. Also included in Consumer Finance are Compass RE, which reinsures risks linked to insurance policies sold to clients, Compass Rent, which

operates in second-hand vehicle and car hire, and Compass Link, which distributes Compass products and services via external collaborators;

- **Insurance - Principal Investing (PI):** this division comprises the Group's portfolio of equity investments and holdings, including the stake in Assicurazioni Generali. The latter investment has been this division's main constituent for many years, and is distinguished for its sound management, consistency of results, high profitability and contributions in terms of diversification and stabilization of the Mediobanca Group's revenues. The division includes the Group's investments in funds and SPVs and/or managed by the Group's asset management companies (seed capital) based on an approach that combines mid-term profitability for the Group with synergies between the divisions, as well as private equity activities;
- **Holding Functions:** this division comprises SelmaBipiemme Leasing, MIS and other minor companies, Group Treasury and ALM (with the aim of optimizing funding and liquidity management on a consolidated basis, including the securities held as part of the banking book), and the part of costs relating to central Group functions not allocated to the business lines, including operations, support units (Planning and Financial Reporting, Corporate Affairs, Investor Relations, etc.), senior management and the control units (Risk Management, Group Audit and Compliance. As from this year, the NPL portfolio management business spun off to Revalea S.p.A., which was incorporated in April 2022 and obtained clearance to operate from the supervisory authority at the year-end, has been included as part of the Holding Functions.

As at 30 June 2022, Mediobanca had a market capitalization of approximately €7 billion.

### **Premier – CheBanca!**

Mediobanca operates in wealth management with Affluent & Premier clients through its subsidiary CheBanca!. This subsidiary, launched in 2008, effectively served as retail deposit gatherer for the Mediobanca Group throughout the financial crisis. Since 2016 it has developed a distribution model based on strong investments in technology and innovation and an advisory-based approach which has enabled the company to become a recognized, high-growth operator in its reference market, with client TFAs which currently total €35 billion.

Today CheBanca! is distinguished by its:

- High brand recognition;
- Effective, innovative multi-channel distribution (internet, 207 own branches/POS, 531 FAs and 509 relationship managers);
- Substantial customer base (approximately 825,000 clients);
- Strong commercial results: €17 billion in deposits, €18 billion in AUM/AUA, and a loan book of €12 billion in mortgage lending.

At 30 June 2022, the company employed a total of 1,489 staff.

### **Private & HNWI**

The product/service offering to clients is split between:

- **MB Private Banking** offers private banking services through its 90 bankers and 10 branch offices, working to help develop asset management activities in synergy with the mid-cap platform. The Mediobanca Private Banking product offering for high net worth clients includes portfolio management, advisory and financing services. Independence, operational autonomy, focus on private investment banking activities, and excellence and quality of service, are the hallmarks of a bank which has approximately €16.6 billion in AUM/AUA at its branches in Bergamo, Bologna, Brescia, Florence, Genoa, Milan, Padua, Rome, Turin and Treviso.
- **CMB Monaco ("CMB")** is 100%-owned by Mediobanca. CMB, a market leader in the private banking sector in the Principality of Monaco, has assets under management of approximately €7.8 billion. Its geographical position, indepth knowledge of markets and absolute independence make it a player of primary importance, able to provide exclusive services to its clientèle, ranging from loans to asset management.
- **Spafid**, 100%-owned by Mediobanca, this company provides fiduciary administration services for equity investments, stock market investments and fiduciary services for issuers.

### **MB Asset Management**

The product factories forming part of the Wealth Management division include Polus Capital, RAM, Mediobanca SGR and Bybrook Capital.

- **Polus Capital**, a 51% stake in which was completed in December 2015 (the percentage stake currently owned is 64.6%), is an asset manager and advisor based in London, specializing in credit products. In September 2021 Polus Capital expanded its product offering in the alternative credit segment through the acquisition of Bybrook Capital, an asset manager specializing in distressed credit based in London.
- **RAM AI**, a 69% stake in which was acquired in March 2018 (the percentage is now 94.9%), is one of the leading European systematic asset managers, offering a wide selection of alternative funds to a vast range of institutional and professional investors.
- **Mediobanca SGR**, set up in 2017 following the merger of Banca Esperia into Mediobanca S.p.A., plays a key role in defining investment strategies and developing innovative products for the Group's networks.

### **Consumer Credit – Compass Banca (Compass)**



Mediobanca has operated in the consumer credit sector since the 1960s through its subsidiary Compass. Compass today is one of the leading consumer credit operators on the Italian market, with a market share of approximately 9%, a share that rises to 13% in the personal loans segment.

Compass offers products (including personal loans, special purpose loans for acquisition of consumer durable goods, credit cards and salary-backed finance), using a highly diversified distribution network consisting of 181 own branches, branches run by agents (67) and Compass Quinto branches (54), distribution agreements with banking partners and retailers (including BancoPosta).

In the financial year ended 30 June 2022, Compass reported a loan book of approximately €13,8 billion and a headcount of 1,454 staff.

### **Wholesale Banking**

Mediobanca seeks to provide its corporate clients with advisory services and financial services to help them grow and develop.

The Wholesale Banking Division is divided into Client Business and Proprietary Trading. Client Business includes three different areas: Investment Banking, Debt Division, and Market Division.

#### **1. *Investment Banking***

##### ***Corporate finance***

Mediobanca is a leader in Italy, and has an increasingly significant role at the European level in financial advisory services through its branch offices in London, Paris and Madrid, and through Messier & Associés, in which it holds an 79.7% stake. A client-based approach is adopted, backed by indepth knowledge of the financial issues and a consolidated track record in executing deals. The operating unit is organized into different industry teams covering individual industries to provide more effective specialization.

Corporate finance is structured into the following activities:

- Defining strategic objectives for companies and identifying extraordinary financing transactions in order to help meet them;
- Extraordinary financing transactions: mergers and acquisitions, joint ventures and partnerships, disposals and spinoffs;
- Liability restructuring: earnings/financial analysis of companies/groups undergoing restructuring; working out financial rebalancing scenarios; negotiating with key creditors;
- Corporate restructuring: LBOs, MBOs, spinoffs and tax-/inheritance-related issues;
- Company valuations, on a standalone basis and for purposes of setting exchange ratios;

- Relations with authorities: assistance in handling relations with market authorities, primarily Consob and Borsa Italiana.

### **Messier & Associés**

Founded at the end of 2010, Messier & Associés is now one of the three leading corporate finance boutiques in France, with a loyal client base at both national and international level.

Messiers & Associés specializes in M&A advisory services, which it provides to large and mid-cap clients, and in financial sponsors activity. The company also performs debt and capital advisory and debt restructuring activities. Headquartered in Paris, it has offices in New York and employs around 37 staff.

## **2. *Equity capital markets***

Mediobanca is the Italian leader and has a role of increasing importance internationally in structuring, coordinating and executing equity capital markets transactions, such as IPOs, rights issues, secondary offerings and ABOs, and bonds convertible into equity solutions (equity derivatives to manage investments and treasury shares): this unit structures and implements extraordinary financing transactions involving equity investments and treasury shares; using a dedicated trading platform, the team offers customers innovative, high value-added solutions, and also handles any legal, accounting, tax and regulatory issues.

### Debt Division

#### ***Lending & Structured Finance***

The Financing teams serve Mediobanca's Italian and international customers, through the branch offices located in Paris, London and Madrid, offering:

- Advice in evaluating possible capital structures and financing solutions available from among a vast series of debt products, including considering possible implications in terms of rating;
- Structuring and executing lending transactions;
- Access to the international syndicated loans market;
- Facility and security agent services for corporate and structured lending transactions.

The principal Lending & Structured Finance area products are:

- **Corporate lending** (bilateral loans, club deals and syndicated loans): corporate loans aimed at supporting customers' financial requirements generated by investments or related to their companies' growth; the financial solutions offered are aimed primarily at medium-/large-sized firms operating on domestic and international markets, in industrial and service-based sectors.

- **Structured finance** (acquisition finance, loans for LBOs/MBOs, project finance, infrastructure finance, real estate finance): financial support to corporate counterparties and institutional investors as part of leveraged transactions to acquire stakes in listed and unlisted companies; a wide range of lending transactions are developed, arranged, structured, underwritten and executed based on complex structures, and because of their size these are often syndicated on the international market. On the back of its solid track record in various sectors, customers are provided with advisory services covering the entire process of structuring deals to support investment and infrastructure or industrial projects, including offering strategies, selection of the most effective debt instruments, hedging strategies, financial modelling and structuring contracts.

### **Mediobanca International**

Mediobanca International is mainly focused on lending operations to companies in the following forms: **corporate lending** (bilateral loans, club deals, and syndicated facilities) and **structured finance** (acquisition finance, LBO/MBO loans, project finance, infrastructure finance, real estate finance). These uses are financed from funding raised on international markets via specific programmes (Notes, Structured Notes, Certificates, Warrants, Euro Commercial Tradable Papers, Euro Commercial Papers), short- and medium-term, mostly guaranteed by parent company Mediobanca S.p.A.

### **3. Debt capital market**

The debt capital market team manages the origination, structuring, execution and placement of bond issues (corporates and financials), covered bonds, and securitizations, seeking to meet its clients' needs for financing.

#### **Market division**

Mediobanca operates on the secondary markets, trading equities and fixed-income securities, foreign exchange products and credit risk, interest rate and exchange rate derivatives. The division's activities are divided into the following areas:

- **CMS:** this area structures solutions based on interest rates, credit and alternative products; it targets corporate clients, banks and institutional investors who need to restructure their investment portfolios, increase asset liquidity and diversify their sources of funding. Advisory services and structuring *ad hoc* solutions for alternative investments targets institutional investors;
- **Equity derivatives institutional marketing:** a range of equity-linked investments are offered to banks, insurances, asset managers and family offices, from synthetic replications of simple underlying assets to sophisticated protection mechanisms and solutions for increasing the return on portfolios, funded or unfunded;
- **MB Securities:** this is Mediobanca's equity brokerage division, offering global access to equity markets and research on the Italian market (over 100 companies are covered), plus a pan-European focus on the financials sector (banks and insurances); a dedicated team also offers corporate broking services.

#### 4. *Proprietary Trading*

Proprietary trading is carried out by two units:

- **Trading portfolio (HFT Credit, HFT Fixed income, xVA, Global Macro)**: responsible for trading bond portfolios and centralized management Cross Value Adjustments, providing support to both Strategic Portfolio & ALM and to the other Group legal entities;
- **Equity & Derivatives Trading**: responsible for the Bank's trading activities in various equity market products (equities and derivatives).

#### 5. *Specialty Finance*

Specialty Finance activities include managing and financing credit and working capital. Factoring activities are managed by MBFACTA and credit management operations (on behalf of third parties only) by MBCredit Solutions.

- **MBCredit Solutions** has for many years performed credit recovery activities (on behalf of third parties only ) Last year the Group decided to spin off its NPL portfolio acquisition business unit, commencing a gradual and orderly disposal process. Accordingly, the business has been spun off to the newly-incorporated company Revalea (set up in April 2022 and 100%-owned by Compass. Thus from 1Q FY 2022-23, all NPL management activities have been transferred to the Holding Functions division.
- **MBFACTA** provides trade receivables sale and discount services (with and without recourse, maturity, supply credit) to refinance corporate working capital. As well as the financial benefits, this service can also include an insurance component (guarantee against insolvency or delays in payments) and/or a management component (portfolio management, accounting, collection and recovery). The factoring platform's factoring offering will be tailored specifically to developing the Mid Corporate segment in synergy with the other services offered by CIB to this category of firm.

#### Principal investing

The Principal Investing division consists primarily of the Bank's investment in Assicurazioni Generali, which is consolidated using the equity method. The value option which the investment represents for the Group is in terms of available, liquid resources that can be activated in the event of growth acquisitions materializing.

Principal Investing also includes the funds invested by the Mediobanca Group in the seed capital of the alternative funds managed by the asset management companies.

Company	Sector	% of share capital as at 30/6/22	Book value as at 30/6/22 €m
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### **Leasing**

Mediobanca owns a direct 60% stake in SelmaBipiemme Leasing, with the other 40% held by the Banca Popolare di Milano. The group operates in financial leasing.

### **Treasury**

The Group's Treasury and ALM units are centralized at parent company level with the objective of optimizing funding and liquidity management. The Group Funding unit is responsible for the Group's funding, raised in all technical forms ranging from deposits to debt securities to financing. With regard to the issuance of securities, the Group Funding Unit is responsible for structuring, issuing and placing debt products, the proceeds from which are used to finance the Bank's activities. Funding operations take the form primarily of the issuance of securities, both plain vanilla and structured. Notes are placed with retail investors through public offerings (implemented via the Wealth Management division companies' proprietary network), through individual third-party banking networks (either on an exclusive basis or via groups of banks operating as syndicates), and direct sales on the MOT bond market operated by Borsa Italiana. Demand from institutional investors is met via public offerings of securities on the Euromarket and by private placements of bespoke products tailored to meet the investor's specific requirements.

### **NPL acquisitions management**

As from this year, the NPL portfolio management business spun off to Revalea S.p.A., which was incorporated in April 2022 and obtained clearance to operate from the supervisory authority at the year-end, has been included as part of the Holding Functions.

### **New products or new activities**

Without prejudice to the contents hereof (section 5.1), no significant new products and/or services have been introduced that are worth being recorded or disclosed publicly.

### **Principal markets**

The Mediobanca Group's activities are principally focused on the domestic market (from a geographical standpoint Italy accounts for approximately 80% of the Group's loan book). In particular:

- Corporate & Investment Banking (CIB): in WB, half the revenues and loan book is originated by the Italian market, the other half by other countries (notably France, Spain and the United Kingdom); while Specialty Finance activities are focused on the domestic Italian market. The division employs some 632 staff, 146 of whom are based outside Italy;

- Consumer Banking: activities focus exclusively on the Italian market, and employ approximately 1,507 staff at 248 branches/agencies;
- Wealth Management (WM): this division's activity is focused primarily on the Italian market, with the exception of CMB (which operates in the Principality of Monaco), RAM AI (which operates throughout Europe from its headquarters in Switzerland), and Polus Capital (which operates in the United Kingdom); and employs 2,140 staff, with approximately 1,200 FAs/relationship managers, and over 200 branches/financial shops;
- Leasing activities chiefly target the domestic market.

The agreement on future relations between the United Kingdom and the European Union was signed on 30 December 2020, ratified by the European Parliament in April 2021, even though it had already been applied provisionally from 1 January 2021 as authorized by the European Council. For financial services, the agreement does not provide for any broader reciprocal access to markets than the agreements which the EU has entered into with other commercial partners. At the end of March 2021, the EU and the United Kingdom executed a Memorandum of Understanding establishing a framework for Financial Services Regulatory Co-operation, which does not replace the banking and financial services passporting arrangements.

Mediobanca currently operates in the United Kingdom, both at its London branch office and cross-border, under the Temporary Permissions Regime (TPR) permitted by the Financial Conduct Authority (FCA), which allows the Bank to continue to perform its current activities as though it were formally authorized. The FCA has asked Mediobanca to start the formal process in order to receive its own authorization to operate in the United Kingdom as a third country branch from the Financial Conduct Authority by June 2022. Mediobanca has also undertaken a series of initiatives, in accordance with the ECB guidance, to address the issue of no longer being allowed to serve EU clients from the United Kingdom. These have included transferring some front office staff members (including some considered as key function holders) from the London branch offices to other offices located within the EU (15 in total in the course of 2020). There are still some areas of uncertainty, however, regarding the application of some of the market regulations (e.g. on shares/derivatives trading obligations), for which specific solutions have been adopted in order to ensure that the new rules are complied with. The total number of staff employed by the London branch, which was 89 as at 30 June 2020, had declined to 73 as at 30 June 2022. It should be emphasized that the Group's activities in the United Kingdom continue to be relatively minor (accounting for approximately 3% of its total revenues).

As far as regards UK-based Group company Polus Capital ("Polus"), the company has delegated management of its funds to an Ireland-based fund manager (Carne Global Fund Managers Ireland Limited), which in turn has sub-delegated management back to Polus itself. Polus will therefore continue to handle the investment strategies and portfolio management for the funds. The marketing activity for the funds, though, will be performed by a company in the process of being set up to be owned by Polus.

*Basis of any statement made by the Issuers in the Base Prospectus regarding their competitive position*

The Base Prospectus contains no statement by the Issuers regarding their competitive position.

## Mediobanca Green, Social and Sustainability Bond Framework

Mediobanca “Green, Social and Sustainability Bond Framework” (the “**Mediobanca Green, Social and Sustainability Bond Framework**”) has been established according to the Green Bond Principles (2021), the Social Bond Principles (2021) and the Sustainability Bond Guidelines (2021), which are overseen by the International Capital Market Association (“**ICMA**”). The Mediobanca Green, Social and Sustainability Bond Framework sets out rules and procedures to identify eligible projects and initiatives, aligned with best market practices, aiming at full transparency and quality of Green, Social and Sustainability Bonds issued.

The Mediobanca Green, Social and Sustainability Bond Framework is presented through the following key pillars:

1. use of proceeds
2. project evaluation and selection
3. management of proceeds
4. reporting
5. external review

An amount equivalent to the net proceeds from the Green Bonds, Social Bonds and/or Sustainability Bonds (as applicable) issued under this Base Prospectus and in accordance with the Mediobanca Green, Social and Sustainability Bond Framework will serve to finance and/or refinance green, social and sustainability assets belonging to the following categories (together, the “**Eligible Categories**”):

- **Renewable energies**: projects related to the generation of energy, including connection to the grid and transportation, from certain renewable sources, as specified in the Mediobanca Green, Social and Sustainability Bond Framework;
- **Energy efficiency**: financing projects and infrastructures or the purchase of equipment featuring improved efficiency in energy usage;
- **Sustainable mobility**: financing projects related to the manufacture of low carbon technologies for transport and operation of personal mobility devices and cycle logistics;
- **Green and energy efficient buildings**: financing – including retail mortgages – or refinancing for construction, purchasing, development and renovation of residential and commercial buildings;
- **Circular economy & Pollution prevention and control**: projects contributing to the development of a circular economy;
- **Environmentally sustainable management of living natural resources**: loans to borrowers with high level sustainability criteria in the forestry sector;

- **Sustainable water:** projects dedicated to and aimed at improving water treatment, collection and distribution, centralised or for retail usage;
- **SME financing and social and economic advancement:** projects dedicated to support employment, reduce social exclusion and inequalities.

The list of Eligible Categories may be extended, with new ones added to the Mediobanca Green, Social and Sustainability Bond Framework, subject to external review. Mediobanca reviews the validity of the Mediobanca Green, Social and Sustainability Bond Framework annually, considering the development and progress made in all the areas tackled by environmental and sustainable best practices and upcoming regulations. The Mediobanca Green, Social and Sustainability Bond Framework updates will also be consistent with Mediobanca's lending strategy and internal policies with respect to its ESG goals.

The pool of assets falling within the Eligible Green Assets, Eligible Social Assets and/or Eligible Sustainability Assets will be approved and evaluated by an internal committee of Mediobanca (the "**Green, Social and Sustainability Bond Committee**"). The Green, Social and Sustainability Bond Committee will also be responsible for, *inter alia*, monitoring such pools and updating and maintaining the Mediobanca Green, Social and Sustainability Bond Framework (as mentioned above).

Furthermore, to ensure the transparency and soundness of the Mediobanca Green, Social and Sustainability Bond Framework, Mediobanca has obtained independent verification from a second opinion provider which will assess and assist on sustainability profiles, performance and coherence with the ICMA's Green Bond Principles (2021), Social Bond Principles (2021) and Sustainability Bond Guidelines (2021).

Green Bonds, Social Bonds or Sustainability Bonds can be issued as different debt instruments, including public or private placements and Notes in various formats and currencies. Further details will be provided in the applicable documentation related to the specific transaction. The terms "**Green Bonds**", "**Social Bonds**" or "**Sustainability Bonds**" as used in this paragraph mean any Notes to be issued in accordance with the Mediobanca Green, Social and Sustainability Bond Framework.

The Mediobanca Green, Social and Sustainability Bond Framework, as well as any future updates, will apply to any Green Bond, Social Bond and/or Sustainability Bond issued by the relevant Issuer as long as any such instrument is still outstanding.

## **ORGANIZATIONAL STRUCTURE**

### *Description of organizational structure of group headed up by Mediobanca*

Mediobanca is the parent company of the Mediobanca Banking Group.

The Mediobanca Group is registered as a banking group in the register instituted by the Bank of Italy.

The following diagram illustrates the structure of the Mediobanca Group as at the date hereof.





## Subsidiaries and main investee companies

A list of the main Group companies included in the area of consolidation for the consolidated financial statements as at the date of this document is shown below:

Group Companies			
Company Name	Headquarters	% ownership	Type of investment
COMPASS Banca S.p.A.	Italy	100%	(dir)
CHEBANCA! S.p.A.	Italy	100%	(dir)
SELMABIPIEMME LEASING S.p.A.	Italy	60%	(dir)
CMB Monaco S.A.	Principality of Monaco	100%	(dir)
MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.*	Luxembourg	100%	(dir)
SPAFID S.p.A.	Italy	100%	(dir)
SPAFID TRUST S.r.l.	Italy	100% <sup>1</sup>	(indir)
SPAFID CONNECT S.p.A.	Italy	100% <sup>2</sup>	(indir)
MEDIOBANCA SECURITIES USA LLC	United States of America	100%	(dir)
MEDIOBANCA SGR S.p.A.	Italy	100%	(dir)
MEDIOBANCA MANAGEMENT COMPANY S.A.	Luxembourg	100%	(dir)
MBCREDIT SOLUTIONS S.p.A.	Italy	100% <sup>3</sup>	(indir)
MEDIOBANCA INNOVATION SERVICES S.c.p.A	Italy	100%	(dir)
MBFACTA S.p.A.	Italy	100%	(dir)

<sup>1</sup> Investment held by Spafid S.p.A.

<sup>2</sup> Investment held by MIS S.c.p.A.

<sup>3</sup> Investment held by Compass Banca S.p.A.

QUARZO S.r.l.	Italy	90% <sup>3</sup>	(indir)
QUARZO CQS S.r.l.	Italy	90% <sup>3</sup>	(indir)
MEDIOBANCA COVERED BONd S.r.l.	Italy	90% <sup>4</sup>	(indir)
CMB ASSET MANAGEMENT S.A.M.	Principality of Monaco	99,50% <sup>5</sup>	(indir)
CMG MONACO S.A.M.	Principality of Monaco	99,92% <sup>5</sup>	(indir)
COMPASS RE S.A.**	Luxembourg	100% <sup>3</sup>	(indir)
MEDIOBANCA INTERNATIONAL IMMOBILIARE S.à r.l.	Luxembourg	100% <sup>6</sup>	(indir)
POLUS CAPITAL MANAGEMENT GROUP Ltd.	United Kingdom	64,37% <sup>7***</sup>	(dir)
POLUS CAPITAL MANAGEMENT Ltd.	United Kingdom	64,37% <sup>7***</sup>	(indir)
POLUS CAPITAL MANAGEMENT (US) Inc.	United States of America	64,37% <sup>7***</sup>	(indir)
POLUS CAPITAL MANAGEMENT INVESTMENTS Ltd.(inoperative)	United Kingdom	64,37% <sup>7***</sup>	(indir)
POLUS INVESTMENT MANAGERS Ltd. (inoperative)	United Kingdom	64,37% <sup>7***</sup>	(indir)
MB FUNDING LUX S.A.	Luxembourg	100%	(dir)
SPAFID FAMILY OFFICE SIM S.p.A.	Italy	100% <sup>1</sup>	(indir)
RAM ACTIVE INVESTMENTS S.A.	Switzerland	91,70% <sup>8****</sup>	(dir)
RAM ACTIVE INVESTMENTS (EUROPE)	Luxembourg	91,70% <sup>8****</sup>	(ind)
MESSIER & ASSOCIES S.A.S.	France	79,66% <sup>9*****</sup>	(dir)

<sup>4</sup> Investment held by CheBanca! S.p.A.

<sup>5</sup> Investment held by CMB S.A.

<sup>6</sup> Investment held by Mediobanca International (Luxembourg) S.A.

<sup>7</sup> Investment held by Polus Capital Group Ltd.

<sup>8</sup> Investment held by RAM Active Investments S.A.

<sup>9</sup> Investment held by Messier & Associates S.A.S.

<sup>10</sup> Investment held by MBCredit Solutions S.p.A.

MESSIER & ASSOCIES LLC.	United States of America	50% <sup>9****</sup>	(indir)
MBCONTACT SOLUTIONS S.r.l.**	Italy	100% <sup>10</sup>	(indir)
COMPASS RENT S.r.l.**	Italy	100% <sup>3</sup>	(indir)
COMPASS LINK s.r.l.	Italy	100% <sup>3</sup>	(indir)
BYBROOK CAPITAL MANAGEMENT Ltd.	Grand Cayman	64,37% <sup>7</sup>	(indir)
BYBROOK CAPITAL LLP	United States of America	64,37% <sup>11</sup>	(indir)
BYBROOK CAPITAL SERVICES (UK) Ltd	United Kingdom	64,37% <sup>11</sup>	(indir)
BYBROOK CAPITAL BURTON PARTNERSHIP Ltd	Grand Cayman	64,37% <sup>11</sup>	(indir)
BYBROOK CAPITAL (GP) LLC.	United States of America	64,37% <sup>11</sup>	(indir)
BYBROOK CAPITAL (US) LP	United States of America	64,37% <sup>11</sup>	(indir)
CMB REAL ESTATE DEVELOPMENT S.A.M.	Principality of Monaco	100% <sup>12</sup>	(dir/indir)
REVALEA S.p.A. <sup>15</sup>	Italy	100% <sup>3</sup>	(indir)
RAM ACTIVE INVESTMENTS UK** (inoperative)	United Kingdom	91,70% <sup>8</sup>	(indir)
SOISY S.P.A.	Italy	100% <sup>5</sup>	(indir)
MB INV AG S.R.L.	Italy	100%	(dir)

11 Investment held by Bybrook Capital Management Ltd

12 Investment as to 60% held by CMB Monaco and as to 40% by Mediobanca

\* Of which 1% owned by Compass.

\*\*These companies do not form part of the Mediobanca Banking Group.

\*\*\* Consolidated percentage rises to 64.6% including the put-and-call options taken out in conjunction with the acquisition.

\*\*\*\* Consolidated percentage rises to 98.3% including the put-and-call options taken out in conjunction with the acquisition.

\*\*\*\*\* Consolidated percentage rises to 100% including the put-and-call options taken out in conjunction with the acquisition.

## Forecasts or estimates of profits

No profit forecasts or estimates have been made in the Base Prospectus.

### **Information on recent trends**

No material adverse changes have taken place in Mediobanca's or the Group's prospects since the consolidated financial statements as at 30 June 2022.

No material adverse changes have taken place in the financial results of Mediobanca and the Mediobanca Group since the most recent consolidated financial statements as at 30 June 2022.

### **Information on trends, uncertainties, requests, commitments or known facts which could reasonably be expected to have material repercussions on the Issuer's prospects for at least the current financial year**

Mediobanca is not aware of any information on trends, uncertainties, requests, commitments or facts known which could reasonably have significant repercussions on Mediobanca's prospects for the current financial year.

A deterioration in the macroeconomic scenario in relation to: (a) the crisis generated by the pandemic; (b) the slowdown in the rate of growth following the recession caused by the pandemic, aggravated by the increase in inflationary pressures; and (c) the Russia/Ukraine conflict, could impact further on the economic, social and financial situation in Italy and hence on the credit quality, capitalization and earnings of the Issuer which operates primarily on the Italian market.

Mediobanca is committed to executing the strategic and operating guidelines of its 2019-23 Strategic Plan, confirming the intention to optimize capital, with the objective of restoring the CET1 ratio to 13.5% by end-June 2023, including through share buybacks and acquisitions to strengthen the business lines.

### **BODIES RESPONSIBLE FOR GOVERNANCE, MANAGEMENT AND SUPERVISION**

#### **Information on bodies responsible for governance, management and supervision**

Information on the Bank's bodies responsible for governance, management and supervision is provided below, as updated following the Annual General Meeting held on 28 October 2020.

Changes in the composition of the governing bodies and other information related to them are published from time to time on the Issuer's website in the relevant section <https://www.mediobanca.com/en/corporate-governance/index.html>, without prejudice to the obligations set out under Article 23 of the Prospectus Regulation.

#### **Board of Directors**

As at the date of this Base Prospectus, the Board of Directors, appointed on 28 October 2020 for the 2021, 2022 and 2023 financial years until the date on which the financial statements as at 30 June 2023 will be approved, is made up of fifteen members, twelve of whom qualify as independent under Article 148, paragraph 3 of Italian Legislative Decree 58/98, nine of whom also qualify as independent under Article 19 of the company's Articles of Association (the requisites for which definition are substantially aligned with those of the voluntary code of

corporate governance issued by Borsa Italiana S.p.A. (the “**Code of Conduct**”) in respect of listed companies). Its composition also reflects the legal requirements in terms of gender balance.

### Composition of Board of Directors

Name	Post held	Place and date of birth	Term of office expires	Independence	Principal activities performed outside the Issuer
Renato Pagliaro <sup>2</sup>	Chairman	Milan, 20/2/57	28/10/23		
Maurizia Angelo Comneno <sup>1</sup>	Deputy Chair	Rome, 18/6/48	28/10/23	b)	-
Alberto Nagel <sup>1,2</sup>	CEO	Milan, 7/6/65	28/10/23		-
Virginie Banet	Director	Neuilly sur Seine 18/01/66	28/10/23	a) b)	Chairperson, Iolite  Financial Consulting;  Director, Netgem  Director, Lagardère
Francesco Saverio Vinci <sup>1,2</sup>	Group General Manager	Milan, 10/11/62	28/10/23		-
Maurizio Carfagna	Director	Milan, 13/11/47	28/10/23	a) b)	Director, FingProg Italia  Director, Futura Invest  Director, Istituto Europeo di Oncologia

<b>Name</b>	<b>Post held</b>	<b>Place and date of birth</b>	<b>Term of office expires</b>	<b>Independence</b>	<b>Principal activities performed outside the Issuer</b>
Laura Cioli	Director	Macerata 10/07/63	28/10/23	a) b)	CEO, Sirti  Director, Wellcomm Engineering  Director, Sofine
Maurizio Costa	Director	Pavia, 29/10/ 48	28/10/23	a) b)	Director, Amplifon
Angela Gamba	Director	Palazzolo sull'Oglio (BS), 15/8/70	28/10/23	a) b)	Director, Edison  Director, FPS Investments S.r.l.
Valérie Hortefeux	Director	Aulnay (France), 14/12/67	28/10/23	a) b)	Director, Socfinasia  Director, Financière de L'Odet
Maximo Ibarra	Director	Calì (Colombia), 13/12/68	28/10/23	a) b)	Chairman and CEO, Engineering Ingegneria Informatica  Director, Engineering D HUB  Chairman and CEO, Cybertech
Alberto Lupoi	Director	Rome, 29/03/70	28/10/23	a) b)	-
Elisabetta Magistretti	Director	Busto Arsizio, 21/7/47	28/10/23	b)	Director, Brembo  Director, Smeg
Vittorio Pignatti-Morano	Director	Rome, 14/9/57	28/10/23	a) b)	Director, Trilantic Capital Management GP  Director, Trilantic Capital Partners Management

<b>Name</b>	<b>Post held</b>	<b>Place and date of birth</b>	<b>Term of office expires</b>	<b>Independence</b>	<b>Principal activities performed outside the Issuer</b>
					Director, Trilantic Capital Partners V Management  Director, Ocean Ring Jersey Co  Director, Ocean Trade Lux Co  Director, ICS Maugeri  Director, Edizione
Gabriele Villa <sup>1</sup>	Director	Milan, 18/6/64	28/10/23	b)	Standing Auditor, Edison  Standing Auditor, Italmobiliare

<sup>1</sup> Member of Executive Committee.

<sup>2</sup> Member of Mediobanca senior management

a) Qualifies as independent pursuant to Article 19 of the company's Articles of Association.

b) Qualifies as independent pursuant to Article 148, para. 3 of the Italian Finance Act.

All Board members are in possession of the requisites to hold such office set by the regulations in force at the time.

The address for all members of the Board of Directors for the duties they discharge is: Piazzetta E. Cuccia 1, 20121, Milan, Italy.

### **Statutory Audit Committee**

As at the date of this Base Prospectus, the Statutory Audit Committee, appointed on 28 October 2020 for the 2021, 2022 and 2023 financial years until the date on which the financial statements as at 30 June 2023 will be approved, is made up of three Standing Auditors and two Alternate Auditors.



**Composition of Statutory Audit Committee:**

<b>Name</b>	<b>Post held</b>	<b>Place and date of birth</b>	<b>Term expires</b>	<b>Principal activities performed outside the Issuer as significant with respect to the Issuer</b>
Francesco di Carlo	Chairman	Milan, 04/10/69	28/10/23	Director, Milano Investment Partners SGR Standing Auditor, Italiaonline
Elena Pagnoni	Standing Auditor	Colleferro (Rome), 10/05/63	28/10/23	Standing Auditor, ITS Controlli Tecnici
Ambrogio Virgilio	Standing Auditor	Bari, 05/01/56	28/10/23	-
Marcello Caradonna	Alternate Auditor	Stornara (FG), 22/05/59	28/10/23	Chair, College of Auditors CTI Standing Auditor, ENI Standing Auditor, Covercare Feedo System Corneliani Independent Director, Integrae SIM Director, FNM
Roberto Moro	Alternate Auditor	Milan, 04/03/65	28/10/23	Chair of Statutory Audit Committee, A2A Energia, IRE Holding, Digital Value, DV Holding, Pirelli Tyre, Formalift, T.T. Tecnosistemi Standing Auditor, Antas, ASM Energia, Energean International, Energean Italy, Energean Sicilia, Energy Wave, Italware, Fidiger, Diplomatic MS, Ecolombardia 4, Getec Italia Standing Auditor, Compass Rent, Compass Link, MBCcontact

Name	Post held	Place and date of birth	Term expires	Principal activities performed outside the Issuer as significant with respect to the Issuer
				Solutions, Quarzo, Spafid, SelmaBipiemme Leasing, Soisy
Stefano Sarubbi	Alternate Auditor	Milan, 06/12/65	28/10/23	Chair of Statutory Audit Committee, Infrastrutture Wireless Italiane – Inwiit  Chair of Statutory Audit Committee, Acque Minerali  Chair of Statutory Audit Committee, Destination Italia  Standing Auditor Coca Cola Italia  Director, Sigmagest

All Statutory Audit Committee members are in possession of the requisites to hold such office by law, in terms of fitness, professional qualifications and independence; and are all registered as auditors in the list instituted by the Italian Ministry for the Economy and Finances with the exception of Elena Pagnoni who is registered as a lawyer with the Register of Lawyers of Rome.

The address for all members of the Statutory Audit Committee for the duties they discharge is: Piazzetta E. Cuccia 1, 20121, Milan, Italy.

#### **Conflicts of interest among bodies responsible for governance, management and supervision**

A ban was instituted pursuant to Article 36 of Italian Decree Law 201/11, as converted into Italian Law 214/11, on representatives of banks, insurers and financial companies from holding positions in companies which operate in the same sectors. Each year the Board of Directors assesses the positions of the individual directors, which may have changed as a result of changes in the activities or size of the other companies in which they hold posts. To this end, each director, including in order to avoid potential conflict of interest, shall inform the Board of any changes in the positions assumed by them in the course of their term of office.

Mediobanca also adopts the procedure recommended under Article 136 of the Italian Banking Act for approval of transactions involving individuals who perform duties of management and control in other companies controlled by such parties.

Members of the bodies responsible for governance, management and supervision are also required to comply with the following provisions:

- Article 53 of the Italian Banking Act and implementing regulations enacted by the Bank of Italy, in particular the supervisory provisions on links with related parties;
- Article 2391 of the Italian Civil Code (*Directors' Interests*);
- Article 2391-bis of the Italian Civil Code (*Transactions with Related Parties*) ) and the Consob implementing regulations, in particular the Regulations on Transactions with Related Parties approved under resolution no. 17221 of 12 March 2010.

Mediobanca and its governing bodies have adopted internal measures and procedures to ensure compliance with the provisions referred to above.

## Main Shareholders

### *Information on ownership structure*

No party controls Mediobanca according to the definition provided in Article 93 of the Italian Banking Act.

Based on the shareholders' register and publicly available information as at the date of this Base Prospectus, the following individuals and entities own directly or indirectly financial instruments representing share capital with voting rights in excess of 3% of the company's share capital, directly or indirectly, are listed below:

Shareholder	% of share capital <sup>1</sup>
Delfin S.à r.l.	19.8
Francesco Gaetano Caltagirone <sup>(1)</sup>	5.6
BlackRock group <sup>(2)</sup>	4.2
Mediolanumgroup	3.4

(1) Form 120A dated 3/5/2022, indirect shareholding through Istituto Finanziario 2012 SpA, Gamma Srl and Fincal SpA.

(2) BlackRock Inc. (NY) through fifteen asset management subsidiaries (form 120 B of 6 August 2020), of which 0.69% potential holding and 0.13% other long positions with cash settlement.

For completeness, Mediobanca holds owns shares for an amount equal to approximately 1.01% of its share capital.

Updates relating to information on the main shareholders are published from time to time on the Issuer's website [www.mediobanca.com](http://www.mediobanca.com) in the relevant section <https://www.mediobanca.com/en/corporate-governance/main-shareholders/main-shareholders.html>, without prejudice to the obligations set forth in Article 23 of the Prospectus Regulation regarding the possible drafting of a supplement.

## Shareholders' Agreement

On 20 December 2018, certain shareholders of Mediobanca representing, as at the date hereof, approximately 10.85% of the share capital of Mediobanca entered into a prior consultation shareholders' agreement (the "**Shareholders' Agreement**") pursuant to Article 122 of the Financial Services Act and the Consob resolution No. 11971 of 14 May 1999, as subsequently amended. The main shareholders include the Mediolanum Group, Fin.Priv., Monge & C. S.p.A., Gavio Group and Ferrero Group, for a total of 21 shareholders. Such Shareholders' Agreement is effective from 1 January 2019, will expire on 31 December 2024 and is automatically renewed for 3-year periods among the participants who did not give notice of termination at least 3 months before the original or extended expiry date. No provision is made in the Shareholders' Agreement for commitments in terms of lock-up or votes in respect of the shares syndicated to it.

Information on the Shareholders' Agreement may be found on the Issuer's website at <https://www.mediobanca.com/en/corporate-governance/main-shareholders/shareholder-consultation-agreement.html>.

#### **Agreements the performance of which may result in a change of control subsequent to the date hereof**

Mediobanca is not aware of any agreements aimed at bringing about future changes regarding the ownership structure of Mediobanca.

#### **INDEPENDENT AUDITORS OF THE FINANCIAL STATEMENTS**

##### **Independent auditors responsible for auditing the financial statements**

At the annual general meeting held on 27 October 2012, the shareholders of Mediobanca appointed PricewaterhouseCoopers S.p.A. to audit the Bank's separate and consolidated full-year and interim financial statements up to and including the financial year ending 30 June 2021.

PricewaterhouseCoopers S.p.A. a company with its registered offices in Piazza Tre Torri 2, Milan, Italy, has audited the separate and consolidated financial statements of Mediobanca as at 30 June 2021. PricewaterhouseCoopers S.p.A is registered under No. 119644 in the Register of Accounting Auditors (*Registro dei Revisori Legali*) maintained by MEF (*Ministero dell'Economia e delle Finanze*) in compliance with the provisions of Legislative Decree No. 39 of 27 January 2010, as amended.

EY S.p.A. is an independent public accounting firm registered under no. 70945 in the Register of Accountancy Auditors (*Registro Revisori Contabili*) held by the Italian Ministry for Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the Ministerial Decree No. 145 of 20 June 2012. EY S.p.A. is also a member of the ASSIREVI – Associazione Nazionale Revisori Contabili, being the Italian Auditors Association. The business address of EY S.p.A. is Via Meravigli 12, 20123 Milan, Italy. EY S.p.A. has audited the separate and consolidated financial statements of Mediobanca as at 30 June 2022.

##### **Information regarding resignations, dismissals or failures to renew the appointment of the independent auditors responsible for auditing the financial statements**

At the date of this Base Prospectus, there is no information about any resignation, revocation or non-renewal of the engagement of the independent auditors responsible for auditing the financial statements.

On 28 October 2020, the Shareholders' Meeting of Mediobanca, at the proposal of the Board of Statutory Auditors, appointed the auditing firm EY S.p.A. to audit the accounts for the financial years from 30 June 2022 to 30 June 2030.

#### **LEGAL AND ARBITRATION PROCEEDINGS**

As at the date of this Base Prospectus, none of the proceedings involving Mediobanca and its consolidated subsidiaries may have, or have had in the recent past, a material impact on the Group's financial position or profitability, and as far as Mediobanca is aware, no litigation, arbitration or administrative proceedings which may have such material impact has either been announced or is pending.

A description of the main tax disputes and litigation pending is provided below, purely for information purposes:

#### **Litigation pending and tax disputes**

##### ***Civil Proceedings - Claim for damages***

Among the most significant legal proceedings still pending against Mediobanca there is the following claim for damages made by:

- Lucchini S.p.A. in A.S. ("**Lucchini**") against 12 banks (including Mediobanca) claiming that the banks would have contributed to the economic and financial distress of the company for having drawn up and executed an industrial and financial plan of the company based on allegedly unrealistic forecasts and a restructuring agreement pursuant to article 182-*bis* of the bankruptcy law which provided for guarantees excessively favourable to the banks, thus delaying Lucchini's submission to the extraordinary administration procedure. With a ruling on 21 July 2020, the Court of Milan rejected Lucchini's request, ordering him to pay the costs. With a notice of appeal served on 28 September 2020 Lucchini appealed the sentence. Mediobanca is awaiting the Court of Appeal to issue its final judgement. By ruling dated 28 December 2022, the Court of Appeal of Milan dismissed the claims brought by Lucchini splitting legal expenses among the parties. Lucchini did not bring the appeal before the Court of Cassation by the term of 28 June 2023 and therefore the proceeding can be considered ended.

It should be noted that on 26 July 2022 the Court of Florence declared the dismissal of the dispute previously pending between Fondazione Monte dei Paschi di Siena ("**FMPS**"), its former directors, as well as Mediobanca and other 13 banks. This ruling follows the settlement agreement entered into between FMPS and the pool of banks involved in such proceedings on 20 December 2021, which provided for, *inter alia*, a waiver of the litigation proceedings. Pursuant to this agreement, Mediobanca paid an amount considerably lower in respect of the original *petitum* of the claim.

##### ***Tax – Administrative proceedings***

With regard to the dispute pending with the Italian tax authorities, the following significant changes should be noted with respect to the previous year.

With reference to the alleged failure to apply transparency tax rules as required by the legislation on Controlled Foreign Companies (CFC) on income earned by CMB Monaco and Compagnie Monégasque de Gestion in financial years 2013, 2014 and 2015 (for a total of €124.4m of income and €53.7m in disputed taxes, plus penalties and interest), three disputes were pending against the Tax Authorities, at different levels of judgement. In detail, Mediobanca won the case in the first and second instances of the dispute relating to financial year 2013/2014 (2013 profits, tax of €21.3m, plus interest and penalties). On 14 September 2022, the tax authorities notified the appeal before the Court of Cassation and on the following 20 October Mediobanca notified its counter-claims. In the joint disputes relating to financial years 2014/2015 and 2015/2016 (respectively 2014 and 2015 profits, taxes of €16.1m and €16.4m, plus interest and penalties), the Bank, which had won the case in the first instance, last 13 September 2022 filed an appearance in Court to defend its rights in the second instance before the Lombardy Regional Tax Commission. The discussion on appeal is postponed to a new role.

With reference to Mediobanca's alleged failure to apply withholding taxes on interest expense paid as part of a secured financing transaction, a total of three disputes relating to the years 2014 - 2015 - 2016 (taxes, respectively, of €2.3m, €1.9m and €2.2m, plus interest and penalties) are pending. For the first two years, the Milan Provincial Tax Commission had dismissed the appeals lodged by the Bank; the two rulings were later appealed on 6 October and 12 December 2022, respectively. With reference to the disputed third year, on 11 November 2022, Italian tax authority issued an assessment notice against which Mediobanca lodged an appeal at the Court of First Instance on 11 April 2023.

With reference to the dispute for €6.8m regarding non-repayment of interest accrued on VAT credits claimed by SelmaBipiemme for the year 2005 can be considered settled on a final basis; the Financial Administration waived the right to proceed before the Court of Cassation and paid out the full reimbursement of the sums claimed. The relevant provision of €3m was therefore released.

With reference the dispute relating to the former Banca Esperia's failure to report a money transfer abroad as part of the tax monitoring communication requirements, for which fines of €5.9m had been handed down, can be considered ended. On 29 September 2022, the ruling of the Court of Cassation was published. In it, the Court dismissed the appeal lodged by the Bank and ordered it to pay the costs of the litigation.

#### ***Further tax proceedings***

In addition to those listed above, eight additional disputes are pending, including:

- two disputes relating to non-repayment of interest accrued on VAT credits claimed by SelmaBipiemme (the "Company") for the year 2008 (total amount of €2.5m) are pending; with reference to interest on VAT credits for the third quarter of 2008, the Company won the case in the first instance. The Italian Revenue Agency later notified the appeal on 18 October 2022 against which the Company filed an objection on 12 December 2022; and

- six disputes involving direct and indirect tax of minor amounts and at different stages of the ruling process, involving a total certified amount of €1.6m in tax.

#### ***Proceedings with supervisory authorities***

Mediobanca has no ongoing proceedings with any supervisory authority.

In relation to the effects of the so-called “Lexitor” ruling of the Court of Justice of the European Union, the Italian Constitutional Court, by ruling dated 22 December 2022, stated that Article 11-octies, paragraph 2, of the Italian government’s Sostegni Bis Decree was partially unconstitutional. As a result of such ruling of the Constitutional Court, consumers will be entitled to a proportional reduction of all costs incurred in relation to consumer credit agreements, even if they were concluded before 25 July 2021, without prejudice to the statute of limitations provided by law (10 years). On the basis of this ruling Compass deemed appropriate to set aside €3.3m, bringing provisions to €15m.

#### ***Antitrust proceedings***

As far as the Group is concerned, Compass has been fined by the Italian Competition Authority for € 4,7 million and € 250,000 for alleged unfair commercial practices consisting in the mandatory sales of insurance policies paired with personal loans granted to customers. Compass denied the allegations and appealed before the Italian Administrative Tribunal and then before the State Council. These proceedings are still pending in the European Court of Justice. For the time being the sale of such insurance policies has been suspended.

#### ***Inspections***

As part of the ordinary supervisory activities by the ECB, it should be noted that an OSI (on-site inspection) on the subject of "market risk" was launched in September 2019. The final follow-up letter of the inspection was delivered on 16 March 2022; the Issuer already replied to ECB with the action plan. In November 2021, an additional inspection was launched in parallel, focused specifically on market risk issues relating to calculation and monitoring of trading P&L, independent price verification and fair value measurement on a small sample of selected transactions. The final follow-up letter of the inspection was delivered on 16 December 2022; the Issuer already replied to ECB with the action plan

#### **MATERIAL AGREEMENTS**

Neither Mediobanca nor any of the companies controlled by Mediobanca has entered into or participates in agreements outside of their normal course of business which could result an obligation or entitlement for Group members that would impact significantly on the Issuer’s ability to meet its obligations in respect of the holders of financial instruments issued or to be issued.

## **FINANCIAL INFORMATION OF MEDIOBANCA – BANCA DI CREDITO FINANZIARIO S.P.A.**

The consolidated annual financial statements of Mediobanca as at and for the years ended on 30 June 2022 and 2021 were prepared in accordance with IFRS as adopted by the European Union.

The unaudited consolidated half-yearly financial statements of Mediobanca as at and for the period ended 31 December 2022 have been prepared in accordance with IFRS as adopted by the European Union.

The annual consolidated financial statements as at 30 June 2021 have been audited by PricewaterhouseCoopers S.p.A., whose report thereon is attached to such annual financial statements.

The annual consolidated financial statements as at 30 June 2022 have been audited by Ernst & Young S.p.A., whose reports thereon is attached to such annual financial statements.

All of the above consolidated financial statements, prepared in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See "*Documents Incorporated by Reference*".



## INFORMATION ON MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

### General Information

**Name:** Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**").

**Date of Incorporation:** Mediobanca International was incorporated on 13 September 1990 and its registered office was transferred to Luxembourg by a resolution of the Shareholders before a notary on 21 December 2005 and the articles of incorporation were published in the *Mémorial Recueil des Sociétés et Associations* number 567 on 17 March 2006. The articles of association were amended on 5 October 2007 and were published in the *Mémorial Recueil des Sociétés et Associations* number 2995 on 24 December 2007. The articles of association were further amended on 30 January 2017 and were published in the *Recueil électronique des Sociétés et Associations* number RESA\_2017\_042 of 16 February 2017. The LEI code of Mediobanca International is 549300DV870NBWY5W279.

**Legislation:** Mediobanca International operates under Luxembourg law.

**Registered Office and Telephone Number:** 4, Boulevard Joseph II, L-1840 Luxembourg, Tel. No.: (00352) 267303-1.

**Registration:** *Registre de Commerce et des Sociétés* Luxembourg number B 112885.

**Financial Year:** Mediobanca International's financial year ends on 30<sup>th</sup> June of each year.

**General Meetings:** General Meetings are held at least once a year.

### Share Information

**Authorised and Issued Capital:** EUR 10,000,000 as at 30 June 2022 divided into 1,000,000 ordinary shares of EUR 10.00 each.

**Reserves:** EUR 326,042,785 as at 30 June 2022.

**Controlling Shareholders:** Mediobanca - Banca di Credito Finanziario S.p.A.

**Change of control:** Mediobanca International is not aware of any agreements aimed at bringing about future changes regarding the ownership structure of Mediobanca International.

## **Management**

**Board of Directors:** The Articles of Association provide for a Board of Directors consisting of at least three members elected by the general meeting of shareholders for a term of office not to exceed six years.

**Directors:** The Board of Directors is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank's accounts and interim statements. The Board of Directors has been appointed by the shareholders meeting held on 16 October 2020 and is composed as follows:

<i>Director</i>	<i>Place and date of birth</i>	<i>Posts held inside Mediobanca International</i>
Giovanni Mancuso	Turin on 5 December 1954	Chairman & Director
Alessandro Ragni	Milan on 23 May 1977	Managing Director & CEO
Massimo Amato	Lecce on 15 January 1958	Director
Piero Pezzati	Milan on 23 March 1953	Director
Jessica Spina	Manchester on 27 January 1969	Director
Stéphane Bosi	Monticelli d'Ongina on 27 April 1953	Director
Lara Pizzimiglia	Piacenza on 21 June 1969	Director

The business address of each of the directors is 4, Boulevard Joseph II, L-1840 Luxembourg, with the exception of Massimo Amato whose business address is 20, rue C. Martel, L-2134 Luxembourg and Jessica Spina and Lara Pizzimiglia whose business address is Piazzetta E. Cuccia 1, 20121, Milan, Italy.

There are no potential conflicts of interests between any of the Directors' duties to Mediobanca International and their private interests or other duties.

**Authorised managers:**

Day-to-day management is entrusted to two authorised managers: Alessandro Ragni (Managing Director and CEO) and Rocco Cosimo Damiano Di Leo (Chief Financial Officer).

**Approved independent auditors:**

PricewaterhouseCoopers, *Société coopérative*, incorporated under the laws of Luxembourg, with its registered office at 2, rue Gerhard Mercator, B.P. 1443, L-2182 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B.65477 ("**PwC Luxembourg**"), was designated, during a meeting of the Board of Directors held on 11 September 2012, the Mediobanca International's independent auditors (*réviseur d'entreprises agréé*). Their mandate was renewed by the Board of Directors on 14 December 2016 for a period ending at the shareholders' annual general meeting which was held in 2021.

PwC Luxembourg, has audited the non-consolidated financial statements of Mediobanca International as at and for the year ended 30 June 2021.

PwC Luxembourg is registered as a *cabinet de révision* with the public register of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Independent Auditors (*l'Institut des Réviseurs d'Entreprises*) and is approved by the Commission de Surveillance du Secteur Financier ("**CSSF**") in the context of the law dated 23 July 2016 on the audit profession, as amended.

The auditing firm Ernst & Young, Société Anonyme, incorporated under the laws of Luxembourg, with its registered office at 35E, Avenue John F. Kennedy, L-1855 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B47771 ("**EY Luxembourg**") has been appointed, during the meeting

of the Board of Directors held on 20 October 2021, as Mediobanca International's independent auditors (réviseur d'entreprises agréé), for a period ending at the shareholders' annual general meeting which be held in 2027.

EY Luxembourg has audited the non-consolidated financial statements of Mediobanca International as at and for the year ended 30 June 2022.

EY Luxembourg is registered as a cabinet de révision with the public register of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Independent Auditors (l'Institut des Réviseurs d'Entreprises) and is approved by the CSSF in the context of the law dated 23 July 2016 on the audit profession, as amended.

**Corporate governance:**

Mediobanca International is not subject to any compulsory corporate governance code of conduct or respective statutory legal provisions. The Luxembourg law dated 10 August 1915 on commercial companies, as amended, does not make the application of a corporate governance code mandatory to Mediobanca International. The Ten Principles of Corporate Governance of the Luxembourg Stock Exchange do not apply because the shares of Mediobanca International are not listed on a regulated market operated by the Luxembourg Stock Exchange.

**Object and General Business Policy**

**Business Operations:**

Article 3 of Mediobanca International's Article of Association provides, among other things, that the object of Mediobanca International is to carry out, either within or outside the Grand Duchy of Luxembourg, any banking or financial operations authorised by the law relating to the financial sector.

Mediobanca International is mainly focused on corporate lending operations and on raising funds on international markets via specific short and medium-term notes programmes guaranteed by Mediobanca.

**Risk Management:**

All interest rate, currency, credit and other risks are managed within the Mediobanca Group.

**Tax Treatment:**

See "*Taxation - (B) Luxembourg Tax Regime for Mediobanca International and MBFL*".

**FINANCIAL INFORMATION OF MEDIOBANCA INTERNATIONAL  
(LUXEMBOURG) S.A.**

Mediobanca International only produces non-consolidated annual financial statements.

The non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2022 and 2021 were prepared in accordance with IFRS as adopted by the European Union.

All of the above non-consolidated financial statements, prepared in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See "*Documents Incorporated by Reference*".

The non-consolidated annual financial statements as at and for the year ended 30 June 2021 have been audited by PricewaterhouseCoopers, *Société coopérative*, whose report thereon are attached to such non-consolidated annual financial statements.

The non-consolidated annual financial statements as at and for the year ended 30 June 2022 have been audited by Ernst & Young, *Société Anonyme*, whose reports thereon are attached to such non-consolidated annual financial statements.

## INFORMATION ON MB FUNDING LUX SA

### History and Current Business

#### *Incorporation, Duration and Domicile*

MBFL was incorporated on 13 September 2016 under the laws of the Grand Duchy of Luxembourg as a public limited liability company (*société anonyme*) and was originally subject as an unregulated securitisation company (*société de titrisation*) to the provisions of the Luxembourg act dated 22 March 2004 on securitisation, as amended (the **Securitisation Act 2004**). Further to an amendment of the articles of incorporation of MBFL on 24 April 2017, MBFL is no longer an unregulated securitisation company (*société de titrisation non-agrèée*) and subject to the provisions of the Securitisation Act 2004. MBFL has been incorporated for an unlimited duration and is registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B209165. MBFL has been established as a special purpose vehicle, among others, to offer securities.

The articles of association of MBFL (the Articles) were first published on 27 September 2016 in the Luxembourg official gazette (*RESA, Recueil électronique des sociétés et associations*), number RESA 2016 103. The Articles of MBFL were most recently amended and restated on 23 January 2019 by a notary deed published on 31 January 2019 in the Luxembourg official gazette (*RESA, Recueil électronique des sociétés et associations*), number RESA\_2019\_026. Each amendment to the Articles will be published in the official gazette (*RESA, Recueil électronique des sociétés et associations*) in Luxembourg. The registered office of MBFL is at 6, Rue Eugène Ruppert, L-2453 Luxembourg. The telephone number of MBFL is +352 264 491 and the fax number of MBFL is +352 264 49167.

#### *Principal activities of MBFL*

The principal activities of MBFL are those which are set out in MBFL's corporate objects clause, which is Article 4 of the Articles.

The corporate objects of MBFL are (i) to lend on a secured or unsecured basis to its sister company (Mediobanca International Luxembourg SA) or to Mediobanca – Banca di Credito Finanziario – SpA, its parent company (the **Parent Company**), or to purchase assets based in Luxembourg and/or in foreign countries, under the format of loans or securities, whose performance is directly or indirectly guaranteed by its sister company (Mediobanca International Luxembourg SA) or by its Parent Company, (ii) to borrow funds on a secured or unsecured basis, via the issuance of securities or by entering into loan agreements and (iii) to enter into other transactions, or to perform other activities, ancillary or necessary to facilitate the performance of points (i) and (ii) above, including subscribing derivative instruments (which, to avoid any doubt, can be of funded or unfunded type) or granting any kind of security interests or guarantees over all or part of its assets in order to secure all or part of its obligations, provided that (x) at each point in time, the aggregate cashflows expected to be received by MBFL under the transactions described at point (i) are at least equal to the aggregate cashflows due by MBFL under the obligations described at points (ii) and (iii), (y) that all obligations described at point (ii) will be directly or

indirectly guaranteed by the Parent Company and that (z) MBFL shall not carry out any activity in the financial sector on a professional basis which requires the granting of a licence under the Luxembourg act dated 5 April 1993 relating to the financial sector, as amended.

### ***Share Capital and Ownership***

The share capital of MBFL is EUR 831,000 divided into 831,000 Ordinary Shares having a nominal value of EUR 1.0 each (the **MBFL Shares**) all (100%) of which are fully paid up. All issued MBFL Shares are held by Mediobanca (the **Shareholder**).

MBFL is part of the Mediobanca Banking Group.

### ***Capitalisation***

The following table sets out the capitalisation of MBFL as at the date of this Base Prospectus.

Shareholders' Funds: share capital (issued 831,000 Ordinary Shares having a nominal value of EUR 1.0: EUR 831,000

### ***Indebtedness***

As at 30 June 2022, MBFL has an indebtedness amounting to EUR 1,010,181.4.

### ***Financial Year***

The financial year of MBFL is 1st July to 30th June. The first financial year of MBFL was from the date of its incorporation to 30th June 2017.

### ***Approved Statutory Auditors***

Approved statutory auditors (*réviseurs d'entreprises agréés*) were lastly appointed with effect from June 2021 to audit the financial statements of MBFL published from June 2022. The mandate of the approved statutory auditors (*réviseurs d'entreprises agréés*) is renewed on an annual basis. The approved statutory auditor of MBFL is Ernst & Young S.A., with registered office at 35E, Avenue John F. Kennedy, L-1855 Luxembourg, registered with the R.C.S Luxembourg under number B 47771. EY Luxembourg S.A. is registered as a cabinet de révision with the public register of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Independent Auditors (*l'Institut des Réviseurs d'Entreprises*) and is approved by the CSSF in the context of the law dated 23 July 2016 on the audit profession, as amended.

Ernst & Young S.A. has audited the non-consolidated financial statements of MBFL as at and for the year ended 30 June 2022.

PricewaterhouseCoopers, *Société coopérative*, has audited the non-consolidated financial statements of MBFL as at and for the year ended 30 June 2021.

PricewaterhouseCoopers, *Société coopérative*, is incorporated under the laws of Luxembourg, its registered office is at 2, rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B.65477.

PricewaterhouseCoopers, *Société coopérative*, is registered as a *cabinet de révision* with the public register of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Independent Auditors (*l'Institut des Réviseurs d'Entreprises*) and is approved by the Commission de Surveillance du Secteur Financier ("**CSSF**") in the context of the law dated 23 July 2016 on the audit profession, as amended.

### ***Financial Statements***

In accordance with Articles 461-1, 461-7 and 462-1 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended, MBFL is obliged to publish its annual accounts on an annual basis following the approval of the annual accounts by the annual general meeting of the shareholders.

Any published annual audited financial statements prepared for MBFL will be obtainable free of charge from the registered office of MBFL and such other entities as described in "General Information". MBFL does not publish interim financial statements.

### **Management Bodies of MBFL (as at the date of this Base Prospectus)**

At the date of this Base Prospectus, the Board of Directors of MBFL is composed as follows:

#### *Director principal outside activities*

Mr. Alessandro Ragni	Chief Executive Officer at Mediobanca International (Luxembourg) S.A.*
Mr. Alessandro Linguanotto	Manager Legal and Corporate at <b>Intertrust (Luxembourg) SARL</b>
Ms. Reena Shayne-Gonzales	Senior Manager Accounting Services at <b>Intertrust (Luxembourg) SARL</b>

The business address of each of the Directors is:

Alessandro Ragni – 4, Boulevard Joseph II, L-1840 Luxembourg

Alessandro Linguanotto- 6, rue Eugène Ruppert, L-2453 Luxembourg

Reena Shayne-Gonzales - 6, rue Eugène Ruppert, L-2453 Luxembourg

No corporate governance regime to which MBFL would be subject exists in Luxembourg as at the date of this Base Prospectus.



There are no potential conflicts of interests between any of the Directors' duties to MBFL and their private interests or other duties.

### **Annual General Meeting**

The ordinary general meeting of shareholders of MBFL shall take place annually at the registered office of MBFL or at such other place as may be specified in the convening notice.

## **FINANCIAL INFORMATION OF MB FUNDING LUX S.A.**

MBFL only produces non-consolidated annual financial statements.

The non-consolidated annual financial statements of MBFL as at and for the years ended 30 June 2022 and 2021 were prepared in accordance with Luxembourg generally accepted accounting principles (GAAP).

All of the above financial statements, prepared in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See "*Documents Incorporated by Reference*".

The non-consolidated annual financial statements as at and for the year ended 30 June 2021 have been audited by PricewaterhouseCoopers, *Société coopérative*, whose reports thereon are attached to such non-consolidated annual financial statements. The non-consolidated annual financial statements as at and for the year ended 30 June 2022 have been audited by Ernst & Young, *Société Anonyme*, whose reports thereon are attached to such non-consolidated annual financial statements.

## REGULATORY ASPECTS

The Mediobanca Group is subject to extensive regulation and supervision by the Bank of Italy, CONSOB, the ECB and is also subject to the authority of the Single Resolution Board ("**SRB**"). The banking laws to which the Mediobanca Group is subject govern the activities in which banks may engage and are designed to maintain the safety and soundness of such institutions and limit their exposure to risk. In addition, the Mediobanca Group must comply with financial services laws that govern its marketing and selling practices. New acts of legislation and regulations may be introduced in Italy and the European Union that may affect the Mediobanca Group, including proposed regulatory initiatives that could significantly alter the Mediobanca Group's capital requirements.

The rules applicable to banks and other entities in banking groups include implementation of measures consistent with the regulatory framework set out by the Basel Committee on Banking Supervision (the "**Basel Committee**").

In accordance with the regulatory frameworks described above and consistent with the regulatory framework being implemented at the European Union level, the Mediobanca Group has in place specific procedures and internal policies to monitor, among other things, liquidity levels and capital adequacy, the prevention and detection of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the Mediobanca Group's results of operations, business and financial condition. In addition, as at the date of this Base Prospectus, certain laws and regulations have only been recently approved and the relevant implementation procedures are still in the process of being developed.

### *Basel III and the CRD IV Package*

In the wake of the global financial crisis that began in 2008, the Basel Committee on Banking Supervision ("**BCBS**") approved, in the fourth quarter of 2010, revised global regulatory standards ("**Basel III**") on bank capital adequacy and liquidity, which impose requirements for, inter alia, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. The Basel III framework adopts a gradual approach, with the requirements to be implemented over time, with full enforcement in 2019.

In January 2013, the BCBS revised its original proposal in respect of the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the Liquidity Coverage Ratio with a full implementation in 2019 as well as expanding the definition of high-quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities. Regarding the other liquidity requirement, the net stable funding ratio, the BCBS published the final rules in October 2014 which took effect from 1 January 2018.

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit

institutions and the prudential supervision of credit institutions and investment firms (the “**CRD IV Directive**”) and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended or replaced from time to time (the “**CRD IV Regulation**”) and together with the CRD IV Directive, the “**CRD IV Package**”). The CRD IV Package has been subsequently updated by Regulation (EU) No. 2019/876 (“**CRR II**”) and Directive (EU) No. 2019/878 (“**CRD V**”).

Full implementation began on 1 January 2014, with particular elements being phased in over a period of time (the requirements are now largely fully effective as of 1 January 2019 and some minor transitional provisions provide for phase-in until 2024). Further details on the implementation of the Banking Reform Package (as defined below) are provided in the paragraph “*Revision to the CRD IV Package*” below.

National options and discretions that were so far exercised by national competent authorities will be exercised by the Single Supervisory Mechanism (“**SSM**”) in a largely harmonised manner throughout the Banking Union. In this respect, on 14 March 2016, the European Central Bank (the “**ECB**”) adopted Regulation (EU) No. 2016/445 on the exercise of options and discretions, as subsequently amended. Depending on the manner in which these options/discretions had been exercised by the national competent authorities and on the manner in which the SSM will exercise them in the future, additional/lower capital requirements may result.

In addition to the capital requirements under CRD IV, the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014, as subsequently amended, (“**BRRD**”) introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the “**Minimum Requirement for Own Funds and Eligible Liabilities**”, or “**MREL**”). The Issuer has to meet MREL requirements on a consolidated basis. MREL constrains the structure of liabilities and may require the use of subordinated debt, which would have an impact on cost and potentially on the Issuer’s financing capacity.

In Italy, the Government approved a Legislative Decree on 12 May 2015 (“**Decree 72/2015**”) implementing the CRD IV Directive and amending the Italian Banking Act. Decree 72/2015 entered into force on 27 June 2015. Decree 72/2015 impacts, *inter alia*, on:

- proposed acquirers of holdings in credit institutions, requirements for shareholders and members of the management body (Articles 23 and 91 of the CRD IV Directive);
- competent authorities’ powers to intervene in cases of crisis management (Articles 64, 65, 102 and 104 of the CRD IV Directive);
- reporting of potential or actual breaches of national provisions (so called whistleblowing, Article 71 of the CRD IV Directive); and
- administrative penalties and measures (Article 65 of the CRD IV Directive).

The Bank of Italy published supervisory regulations on banks in December 2013 (Circular of the Bank of Italy No. 285 of 17 December 2013, as subsequently amended from time to time by the Bank of Italy, (the “**Circular**”

No. 285”) which came into force on 1 January 2014, implementing the CRD IV Package and the Banking Reform Package, and setting out additional local prudential rules. The CRD IV Package is also supplemented in Italy by technical rules relating to the CRD IV Directive and the CRD IV Regulation published through delegated regulations of the European Commission and guidelines of the EBA.

As part of the CRD IV Package, certain transitional arrangements as implemented by the Circular No. 285 have been gradually phased-out. The transitional arrangements which provide for the regulatory capital recognition of outstanding instruments which qualified as Tier I and Tier II capital instruments under the framework which the CRD IV Package replaced but which no longer meet the minimum criteria under the CRD IV Package have been gradually phased out.

### ***Capital Requirements***

According to Article 92 of the CRD IV Regulation, as amended by the CRR II, institutions shall at all times satisfy the following own funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; (iii) a Total Capital ratio of 8 per cent, and (iv) the Leverage Ratio of 3 per cent. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital:

- *Capital conservation buffer*: set at 2.5 per cent from 1 January 2019 (pursuant to Article 129 of the CRD IV and Part I, Title II, Chapter I, Section II of Circular No. 285);
- *Counter-cyclical capital buffer ("CCyB")*: set by the relevant competent authority between 0% - 2.5% of credit risk exposures towards counterparties each of the home Member State, other Member States and third countries (but may be set higher than 2.5 % where the competent authority considers that the conditions in the Member State justify this), with gradual introduction from 1 January 2016 and applying temporarily in the periods when the relevant national authorities judge the credit growth excessive (pursuant to Article 130 of the CRD IV and Part I, Title II, Chapter I, Section III of Circular No. 285). The Bank of Italy has set, and decided to maintain, the CCyB (relating to exposures towards Italian counterparties) at 0% for the fourth quarter of 2022;
- *Capital buffers for globally systemically important banks ("G-SIBs")*: set as an "additional loss absorbency" buffer varying depending on the sub-categories on which the globally systemically important institutions ("G-SIIs") are divided into. The lowest sub-category shall be assigned a G- SII buffer of 1 % of the total risk exposure amount calculated in accordance with Article 92(3) of the CRD IV Regulation and the buffer assigned to each sub-category shall increase in gradients of at least 0,5 % of the total risk exposure amount calculated in accordance with Article 92(3) of the CRD IV Regulation. G-SIBs is determined according to specific indicators (size, interconnectedness, lack of substitutes for the services provided, global cross border activity and complexity) and, being phased in from 1 January 2016 (pursuant to Article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285), became fully effective on 1 January 2019. Based on the most recently updated list of G-SIIs published by the Financial Stability Board ("FSB") on 21 November 2022, neither the Issuer (nor any member of the Mediobanca

Group) is a G-SIB and therefore they do not need to comply with a G-SIBs capital buffer requirement (or a leverage ratio buffer); and

- *Capital buffers for other systemically important banks at a domestic level ("O-SIIs")*: up to 3.0% as set by the relevant competent authority (reviewed at least annually), to compensate for the higher risk that such banks represent to the financial system (pursuant to Article 131 of the CRD IV and Title II, Chapter 1, Section IV of Circular No. 285). The Bank of Italy has not identified so far the Mediobanca Group as an O-SII, therefore the Issuer does not need to comply with an O-SII capital buffer requirement.

In addition to the above-mentioned capital buffers, under Article 133 of the CRD IV Directive, as amended by the CRD V, each Member State may introduce a Systemic Risk Buffer of Common Equity Tier 1 capital for the financial sector or one or more subsets of that sector in order to prevent and mitigate long-term non-cyclical systemic or macroprudential risks not otherwise covered by the CRD IV Package, in the sense of a risk of disruption in the financial system with the potential of having serious negative consequences on the financial system and the real economy in a specific Member State.

With update No. 38 of 22 February 2022, the Circular No. 285 was amended in order to provide for, *inter alia*, the introduction of:

- (i) the possibility for the Bank of Italy to activate the systemic risk buffer ("**SyRB**") for banks and banking groups authorised in Italy. In particular, the requirement to maintain a systemic risk buffer of Common Equity Tier 1 is intended to prevent and mitigate macro-prudential or systemic risks not otherwise covered with the macro-prudential instruments provided for by the CRD IV Regulation, as amended by the CRR II, the anti-cyclical capital buffer and the capital buffers for G-SII and for O-SII. The buffer ratio for systemic risk can be applied to all exposures or to a subset of exposures and to all banks or to one or more subsets of banks with similar risk profiles; and
- (ii) some macro-prudential instruments based on the characteristics of customers or loans (so-called "borrower-based measures"). Specifically, these are measures that are not harmonised at European level, which can be used to counter systemic risks deriving from developments in the real estate market and from high or rising levels of household and non-financial corporate debt.

Furthermore, with update No. 39 of 13 July 2022, the Circular No. 285 was amended in order to align its provisions with Articles 104 to 104c of the CRD IV Directive, as amended by the CRD V. In particular, the amendments introduced to Part I, Chapter 1, Title III of the Circular No. 285 provide for, *inter alia*, the introduction of:

- (i) A clear differentiation between components of Pillar 2 Requirements estimated from an ordinary perspective and the Pillar 2 Guidance determined from a stressed perspective which supervisory authorities may require banks to hold; and
- (ii) The possibility for supervisory authorities to require additional capital in the presence of excessive leverage risk, under both ordinary and stressed conditions (P2R and Leverage Ratio and Pillar 2 Guidance Leverage Ratio).

Failure by an institution to comply with buffer requirements described above (“**Combined Buffer Requirements**”) may trigger restrictions on distributions by reference to the so-called Maximum Distributable Amounts (“**MDA**”) and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 140 to 141c of the CRD IV Directive).

In addition, Mediobanca Group is subject to the Pillar 2 Requirements for banks imposed under the CRD IV Package, which will be impacted, on an on-going basis, by the SREP. The SREP is aimed at ensuring that institutions have adequate arrangements and strategies in place to maintain liquidity and capital, including in particular the amounts, types and distribution of internal capital commensurate to their risk profile, in order to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system.

The quantum of any Pillar 2 Requirement imposed on a bank, the type of capital which it must apply to meeting such capital requirements, and whether the Pillar 2 requirement is “stacked” below the capital buffers (i.e. the bank’s capital resources must first be applied to meeting the Pillar 2 requirements in full before capital can be applied to meeting the capital buffers) or “stacked” above the capital buffers (i.e. the bank’s capital resources can be applied to meeting the capital buffers in priority to the Pillar 2 requirement) may all impact a bank’s ability to comply with the Combined Buffer Requirement.

In its publication of the 2016 EU-wide stress test results on 29 July 2016, the EBA has recognised a distinction between “Pillar 2 requirements” (stacked below the capital buffers) and “Pillar 2 capital guidance” (stacked above the capital buffers). With respect to Pillar 2 capital guidance, the publication stated that, in response to the stress test results, competent authorities may (among other things) consider “setting capital guidance, above the combined buffer requirement”. Competent authorities have remedial tools if an institution refuses to follow such guidance. The ECB published a set of “Frequently asked questions on the 2016 EU-wide stress test”, confirming this distinction between Pillar 2 requirements and Pillar 2 capital guidance and noting that “Under the stacking order, banks facing losses will first fail to fulfil their Pillar 2 capital guidance. In case of further losses, they would next breach the combined buffers, then Pillar 2 requirements, and finally Pillar 1 requirements”.

The distinction between “Pillar 2 requirements” and “Pillar 2 capital guidance” has been codified by the CRD V. Whereas the former are mandatory requirements imposed by supervisors to address risks not covered or not sufficiently covered by Pillar 1 and buffer capital requirements, the latter refers to the possibility for competent authorities to communicate to an institution their expectations for such institution to hold capital in excess of its capital requirements (Pillar 1 and Pillar 2) and Combined Buffer Requirements in order to cope with forward-looking and remote situations. Under the CRD V, only Pillar 2 requirements, and not Pillar 2 capital guidance, will be relevant in determining whether an institution is meeting its Combined Buffer Requirement.

Non-compliance with Pillar 2 capital guidance does not amount to a failure to comply with capital requirements, but should be considered as a "pre alarm warning" to be used in a bank's risk management process. If capital levels go below Pillar 2 capital guidance, the relevant supervisory authorities, which should be promptly informed in detail by the bank of the reasons of the failure to comply with the Pillar 2 capital guidance, will take into consideration appropriate and proportional measures on a case by case basis (including, by way of example, the

possibility of implementing a plan aimed at restoring compliance with the capital requirements including capital strengthening requirements).

On 23 July 2020 the EBA published Guidelines for competent authorities for the special procedures for the SREP 2020, identifying how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of the COVID-19 pandemic. The 2020 SREP cycle focused on the ability of the supervised entities to handle the challenges of the COVID-19 crisis and its impact on their current prospective risk profile.

The Bank of Italy notified to the EBA its intention to comply with the abovementioned Guidelines on 23 September 2020. The Bank of Italy in fact announced to the supervised entities that only in exceptional cases, due to a significant increase in their current and prospective risk profiles, it would have updated the banks' current requirements.

On 18 March 2022, the EBA published its final report on revised Guidelines on common procedures and methodologies for SREP and supervisory stress testing. The EBA has developed the revised SREP Guidelines in order to implement the changes brought by CRD V and CRR II (as defined below). In particular, the revision of the Guidelines, while keeping the original framework with the main SREP elements intact, reflects, among other things, the introduction of the assessment of the risk of excessive leverage and the revision of the methodology for the determination of the Pillar 2 Guidance. Additional relevant changes are related to the enhancement of the principle of proportionality and the encouragement of cooperation among prudential supervisory authorities and AML/CFT supervisors, as well as resolution authorities. The Bank of Italy should report its intention to comply with the Guidelines by 2 months after the publication of the translation in the official EU languages (still pending). The guidelines will apply from 1 January 2023.

The CRD IV Package introduced a leverage ratio with the aim of restricting the level of leverage that an institution can take on, to ensure that an institution's assets are in line with its capital. The Leverage Ratio Delegated Regulation (EU) No. 2015/62 was adopted on 10 October 2014 and was published in the Official Journal of the European Union in January 2015 amending the calculation of the leverage ratio compared to the current text of the CRD IV Regulation ("**Leverage Ratio Regulation**"). Institutions have been required to disclose their leverage ratio from 1 January 2015. The CRD IV Package contains specific mandates for the EBA to develop draft regulatory or implementing technical standards as well as guidelines and reports related to liquidity coverage ratio and leverage ratio in order to enhance regulatory harmonisation in Europe through the Single Rule Book. The CRR II complemented the system of reporting and disclosure, as envisaged in the Leverage Ratio Regulation, by the introduction of the Leverage Ratio as own fund requirement.

### *Liquidity and leverage requirements*

The CRD IV Package also introduced the LCR. This is a stress liquidity measure based on modelled 30-day outflows. Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing the CRR with regard to liquidity coverage requirement for credit institutions ("**LCR Delegated Act**") was adopted in October 2014 and published in the Official Journal of the European Union in January 2015. On 20 May 2022, amendments to the LCR Delegated Act were published in the Official Journal (Commission Delegated Regulation (EU)



2022/786 of 10 February 2022) and has applied as of July 2022. Most of these amendments has been introduced to better allow the credit institutions issuing covered bonds to comply, on one hand, with the general liquidity coverage requirement for a 30 calendar day stress period and, on the other hand, with the cover pool liquidity buffer requirement, as laid down by Directive (EU) 2019/2162 of the European Parliament and of the Council. The NSFR is part of the Basel III framework and aims to promote resilience over a longer time horizon (1 year) by creating incentives for banks to fund their activities with more stable sources of funding on an on-going basis. The NSFR has been introduced as a requirement in the CRR II published in June 2019 and is applicable from June 2021.

### ***Revision to the CRD IV Package***

On 23 November 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks and investment firms (“**Banking Reform Package**”). The Banking Reform Package amends many existing provisions set out in the CRD IV Package, the BRRD and the SRMR. These proposals were agreed by the European Parliament, the Council of the EU and the European Commission and were published in the Official Journal of the EU on 7 June 2019 entering into force 20 days after, even though most of the provisions are applicable as of 28 June 2021, allowing for a smooth implementation of the new provisions.

The Banking Reform Package includes:

- (i) revisions to the standardised approach for counterparty credit risk;
- (ii) changes to the market risk rules which include the introduction first of a reporting requirement pending the implementation in the EU of the latest changes to the FRTB (as defined below) published in January 2019 by the BCBS and then the application of own funds requirements as of 1 January 2023;
- (iii) a binding leverage ratio (and related improved disclosure requirements) introduced as a backstop to risk-weighted capital requirements and set at 3% of an institution's Tier 1 capital;
- (iv) a binding NSFR (which will require credit institutions and systemic investment firms to finance their long-term activities (assets and off-balance sheet items) with stable sources of funding (liabilities) in order to increase banks' resilience to funding constraints). This means that the amount of available stable funding will be calculated by multiplying an institution's liabilities and regulatory capital by appropriate factors that reflect their degree of reliability over a year. The NSFR will be expressed as a percentage and set at a minimum level of 100%, indicating that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions. The NSFR will apply at a level of 100% at individual and a consolidated level starting from 28 June 2021, unless competent authorities waive the application of the NSFR on an individual basis as of two years after the date of entry into force of the EU Banking Reform Package;
- (v) changes to the large exposures limits, now calculated as the 25% of Tier 1; and

(vi) improved own funds calculation adjustments for exposures to SMEs and infrastructure projects.

In particular, on 7 June 2019, the legal acts of the “Banking Reform Package” regarding the banking sector have been published on the EU Official Journal. Such measures include, together with the amendments to the BRRD and to SRMR, (i) CRR II amending the CRD IV Regulation as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and (ii) CRD V amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The amendments proposed better align the current regulatory framework to international developments in order to promote consistency and comparability among jurisdictions.

Such measures entered into force on 27 June 2019, while a) the CRR II is applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent), b) the CRD V and BRRD 2 shall be implemented into national law by 28 December 2020 excluding some provisions which will be applicable subsequently.

In Italy, the Government approved a Legislative Decree on 8 November 2021 (“**Decree 182/2021**”) implementing the CRD V Directive and amending the Italian Banking Act. Decree 182/2021 entered into force on 30 November 2021. Decree 182/2021 impacts, *inter alia*, on:

- proposed acquirers of holdings in credit institutions, requirements for shareholders and members of the management body (Articles 22, 23 and 91 of the CRD V Directive);
- competent authorities’ powers to impose additional own fund requirements (Articles 104 and 104a of the CRD V Directive);
- authorisation regime applicable to financial holding companies and mixed financial holding companies (Article 21a of the CRD V Directive); and
- regime governing the banking groups and introduction of the status of “intermediate EU parent” (Article 21c of the CRD V Directive).

Moreover, it is worth mentioning that the BCBS concluded the review process of the models (for credit risk, counterparty risk, operational risk and market risk) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called “output floor” (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5 per cent. of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017.

On 27 October 2021, the European Commission published, as part of a legislative package that includes also amendments to CRD V, the text of the proposal to amend the CRR II (“**CRR III**” and jointly the “**2021 Reform**

**Package**”). In particular, the 2021 Reform Package legislative initiative aims at implementing in the EU the 2017 Basel Accord and further elements not included in such international framework contributing to financial stability and to the steady financing of the economy in the context of the post-COVID 19 crisis recovery. This general objective can be broken down in four more specific objectives:

- (i) to strengthen the risk-based capital framework, without significant increases in capital requirements overall;
- (ii) to enhance the focus on ESG risk in the prudential framework;
- (iii) to further harmonise supervisory powers and tools; and
- (iv) to reduce institutions' administrative costs related to public disclosure and to improve access to institutions prudential data.
- (v) to insert in the CRR a dedicated treatment for the indirect subscription of instruments eligible for internal MREL (i.e. “daisy chain approach”).

Once agreed on the final text between the various stakeholders involved in the legislative process (European Commission, European Parliament and Council of the EU) and once implemented in the Union, these regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements. The analysis carried out by the EBA, published in December 2019 upon request of the European Commission, shows that the adoption of the new Basel III criteria would require banks to increase minimum capital requirements (“**MCR**”) by 23.6 per cent., resulting in a capital deficit of €124 billion. On 21 August 2020, the EBA was requested by the European Commission to update further its Basel III impact study and published the new impact analysis on 15 December 2020. The overall impact is presented under two implementation scenarios: the first one updates the impact presented in the previous Call for Advice (“**CfA**”) reports (the “**Basel III scenario**”); the second one (the “**EU-specific scenario**”) considers the additional features requested by the European Commission in its CfA, i.e. applying the SME supporting factors on top of the Basel SME preferential risk weight treatment; maintaining EU credit valuation adjustment (“**CVA**”) exemptions; exercising the jurisdictional discretion contemplated in the Basel III framework to exclude the bank-specific historical loss component from the calculation of the capital for operational risk (internal loss multiplier (“**ILM**”)=1). Under the Basel III scenario, the steady-state implementation of the overall reform scheduled for January 2028 could increase the minimum required capital (MRC) amount, which includes Pillar 2 requirements and EU-specific buffers, by +18.5% with respect to the December 2019 baseline. Under the EU-specific scenario, steady-state implementation of the final Basel III framework (*i.e.* 2028) could increase the MRC amount by +13.1% with respect to the December 2019 baseline.

The EBA has been conducting regular and ad-hoc quantitative impact studies to assess or monitor the impact of various rules on the EU banking sector.

Regular monitoring exercise includes also a monitoring exercise to assess the impact of the Basel III framework on a sample of EU banks that the EBA conducts in coordination and in parallel with the BCBS (“**Basel III**

**Monitoring Exercise**). This exercise assesses the impact of the latest regulatory developments at BCBS level in the following area: (a) global regulatory framework for more resilient banks and banking systems; (b) the Liquidity Coverage Ratio and liquidity risk monitoring tools; (c) the leverage ratio framework and disclosure requirements; (d) the Net Stable Funding Ratio; and (e) the post-crisis reforms.

The impact of the Basel III is assessed using mostly the following measures:

- (i) percentage impact on minimum required Tier 1 capital (MRC);
- (ii) impact, in basis point, on the current actual Tier 1 capital ratio; and
- (iii) Tier 1 shortfall resulting from the full implementation of Basel III, namely the capital amount that banks need to fulfil the Basel III MCR.

According to EBA Decision no. EBA/DC/2021/373 concerning information required for the monitoring of Basel supervisory standards published on 18 February 2021 ("**EBA Decision**"), the Basel III Monitoring Exercise, which is currently only being carried out on a small sample of credit institutions and on a voluntary basis, should be extended to a broader and stable set of credit institutions. In particular, in order to ensure consistency, accuracy and completeness of the data provided, G-SIIs and O-SIIs, as well as credit institutions whose Tier 1 capital equals or exceeds €3 billion, or total assets equal or exceeding €30 billion, should be included in the sample.

Pursuant to EBA Decision, as of 31 December 2021, the Basel III Monitoring Exercise will become mandatory and will be carried out on an annual basis only.

On 30 September 2022, EBA published its first mandatory Basel III Monitoring Report which assess the impact that Basel III full implementation will have on EU banks in 2028. According to this assessment, the full Basel III implementation would result in an average increase of 15.0% of the current Tier 1 minimum required capital. Thus, to comply with the new framework, banks would need EUR 1.2 billion of additional Tier 1 capital.

On 4 May 2020, EBA published its final draft technical standards on specific reporting requirements for market risk, in accordance with the mandate set out in the provisions of the CRR II.

In particular, the implementing technical standards ("**ITS**") introduced uniform reporting templates, the template related instructions, the frequency and the dates of the reporting, the definitions and the IT solutions for the specific reporting for market risk. These ITS introduce the first elements of the Fundamental Review of the Trading Book (FRTB) into the EU prudential framework by means of a reporting requirement. Based on the ITS submitted by the EBA, the European Commission adopted the Implementing Regulation no. 2021/453/EU of 15 March 2021 which applied from 5 October 2021.

### ***Revisions to the Basel III framework***

In December 2017, the Basel Committee published of its final set of amendments to its Basel III framework (known informally as "**Basel IV**"). Basel IV is expected to introduce a range of measures, including:

- (i) changes to the standardised approach for the calculation of credit risk;
- (ii) limitations to the use of IRB approaches, mainly banks will be allowed to use the F-IRB approach and the SA, only for specialised lending the A-IRB will be still used;
- (iii) a new framework for determining an institution's operational risk charge, which will be calculated only by using a new standardised approach;
- (iv) an amended set of rules in relation to credit valuation adjustment; and
- (v) an aggregate output capital floor that ensures that an institution's total risk weighted assets ("**RWA**") generated by IRB models are no lower than 72.5% of those generated by the standardised approach.

According to the Basel Committee, Basel IV should be introduced as a global standard from January 2022, with the output capital floor being phased-in (starting at 50% from 1 January 2022 and reaching 72.5% as of 1 January 2025). In this occasion, the Basel Committee postponed the suggested implementation date for the Fundamental Review of the Trading Book ("**FRTB**") has been postponed by the Basel Committee to January 2023 to allow it to finalise the remaining elements of the framework and align the implementation date with the other Basel IV reforms.

### ***ECB Single Supervisory Mechanism***

On 15 October 2013, the SSM Regulation for the establishment of SSM. The SSM Regulation provides the ECB, in conjunction with the national competent authorities of the Eurozone and participating Member States, with direct supervisory responsibility over "banks of significant importance" in those Member States. "Banks of significant importance" include any Eurozone bank in relation to which (i) the total value of its assets exceeds €30 billion or – unless the total value of its assets is below €5 billion – the ratio of its total assets over the national gross domestic product exceeds 20%; (ii) is one of the three most significant credit institutions established in a Member State; (iii) has requested, or is a recipient of, direct assistance from the European Financial Stability Facility or the European Stability Mechanism and/or (iv) is considered by the ECB to be of significant relevance where it has established banking subsidiaries in more than one participating Member State and its cross-border assets/liabilities represent a significant part of its total assets/liabilities. Mediobanca has been classified as a significant supervised entity pursuant to the SSM Regulation and Regulation (EU) No. 468/2014 of the European Central Bank of 16 April 2014 (the "**SSM Framework Regulation**") and, as such, is subject to direct prudential supervision by the ECB.

The relevant national competent authorities continue to be responsible, in respect of the Mediobanca Group, for supervisory functions not conferred on the ECB, such as consumer protection, money laundering, payment services, and supervision over branches of third country banks. The ECB is exclusively responsible for the prudential supervision of Mediobanca, which includes, *inter alia*, the power to: (i) authorise and withdraw authorisation; (ii) assess acquisition and disposal of holdings; (iii) ensure compliance with all prudential requirements laid down in general EU banking rules; (iv) set, where necessary, higher prudential requirements to protect financial stability under the conditions provided by EU law; (v) ensure compliance with robust corporate

governance practices and internal capital adequacy assessment controls and (vi) intervene at the early stages when risks to the viability of a bank exist, in coordination with the relevant resolution authorities. The ECB may exercise options and discretions under the SSM and SSM Framework Regulation in relation to Mediobanca.

### *The Bank Recovery and Resolution Directive*

The BRRD, entered into force on 2 July 2014, is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an institution that is failing or likely to fail so as to ensure the continuity of the institution's critical financial and economic functions, while minimizing the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone (except for the asset separation tool) or in combination with other resolution tools where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including the Notes) into shares or other instruments of ownership (i.e. other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the “**general bail-in tool**”). Such shares or other instruments of ownership could also be subject to any future application of the BRRD. For more details on the implementation in Italy please refer to the paragraphs below.

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down/convert into shares or other instruments of ownership at the point of non-viability and before any other resolution action is taken (“**non- viability loss absorption**”). Any shares issued to holders of subordinated notes upon any such conversion may also be subject to any application of the general bail-in tool. The point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or its group will no longer be viable unless the relevant capital instruments are written-down/converted or extraordinary public support is to be provided.

Resolution authorities have the power to amend or alter the maturity of certain debt instruments issued by an institution under resolution, amend the amount of interest payable under such instruments, the date on which the interest becomes payable (including by suspending payment for a temporary period) and to restrict the termination rights of holders of such instruments. The BRRD also provides for a Member State, after having assessed and

exhausted the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. Resolution authorities may provide public equity support to an institution and/or take the institution into public ownership. Such measures must be taken in accordance with the EU state aid framework and will require a contribution to loss absorption from shareholders and creditors via write-down, conversion or otherwise, in an amount equal to at least 8 % of total liabilities (including own funds).

As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders contribute to the costs of restructuring.

An SRF (as defined below) was set up under the control of the SRB (as defined below). It ensures the availability of funding support while the bank is resolved. It is funded by contributions from the banking sector. The SRF can only contribute to resolution if at least 8 per cent. of the total liabilities, including own funds, of the bank have been bailed-in.

The BRRD requires all Member States to create a national, prefunded resolution fund, reaching a level of at least 1 per cent. of covered deposits by 31 December 2024. The National Resolution Fund for Italy was created in November 2015 and required both ordinary and extraordinary contributions to be made by Italian banks and investment firms. In the Banking Union, the National Resolution Funds set up under the BRRD were superseded by the single resolution fund, established by the European Regulation no. 806/2014 as of 1 January 2016 (“**Single Resolution Fund**” or “**SRF**”) and those funds have been pooled together gradually. Therefore, as of 2016, the Single Resolution Board calculates, in line with the Council Implementing Regulation no. 2015/81/EU (the “**Council Implementing Act**”), the annual contributions of all institutions authorised in the Member States participating in the SSM and the SRM. The SRF is financed by the European banking sector. The total target size of the Fund is equal to at least 1 per cent. of the covered deposits of all banks in the Member States participating in the Banking Union. The SRF is to be built up over eight years, beginning in 2016, to the target level of EUR 55 billion (the basis being 1 per cent. of the covered deposits in the financial institutions of the Banking Union). Once this target level is reached, in principle, the banks will have to contribute only if the resources of the SRF are actually used in order to deal with resolutions of other institutions.

Under the BRRD, the target level of the National Resolution Funds was set at national level and calculated on the basis of deposits covered by deposit guarantee schemes. Under the SRM, the target level of the SRF is European and is the sum of the covered deposits of all institutions established in the participating Member States. This results in significant variations in the contributions by the banks under the SRM as compared to the BRRD. As a consequence of this difference, when contributions would have been paid based on a joint target level starting as of 2016, contributions of banks established in Member States with a high level of covered deposits could abruptly have decreased, while contributions of those banks established in Member States with fewer covered deposits could abruptly have increased. In order to prevent such abrupt changes, the Council Implementing Act (i.e.

Council Implementing Regulation no. 2015/81) provides for an adjustment mechanism to remedy these distortions during the transitional period by way of a gradual phasing in of the SRM methodology.

### ***Implementation of the BRRD in Italy***

The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely Legislative Decrees No. 180/2015 and 181/2015 (together, the “**BRRD Decrees**”), both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015. Legislative Decree No. 180/2015 is a stand-alone law which implements the provisions of BRRD relating to resolution actions, while Legislative Decree No. 181/2015 amends the existing Banking Act and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. The BRRD Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the general bail-in tool applies from 1 January 2016; and (ii) a “depositor preference” granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SMEs is effective from 1 January 2019.

It is important to note that, pursuant to article 49 of Legislative Decree No. 180/2015, resolution authorities may not exercise the write down/conversion powers in relation to secured liabilities, including covered bonds or their related hedging instruments, save to the extent that these powers may be exercised in relation to any part of a secured liability (including covered bonds and their related hedging instruments) that exceeds the value of the assets, pledge, lien or collateral against which it is secured. The BRRD specifically contemplates that *pari passu* ranking liabilities may be treated unequally. Further, although the BRRD provides a safeguard in respect of shareholders and creditors upon application of resolution tools, Article 75 of the BRRD sets out that such protection is limited to the incurrence by shareholders or, as appropriate, creditors, of greater losses as a result of the application of the relevant tool than they would have incurred in a winding up under normal insolvency proceedings. It is therefore possible not only that the claims of other holders of junior or *pari passu* liabilities may have been excluded from the application of the general bail-in, but also that the safeguard referred to above does not apply to ensure equal (or better) treatment compared to the holders of such fully or partially excluded claims. This is due to the fact that the safeguard is not intended to address such possible unequal treatment but rather to ensure that shareholders or creditors do not incur greater losses in a bail-in (or other application of a resolution tool) than they would have received in a winding up under normal insolvency proceedings.

Certain categories of liability are subject to the mandatory exclusions from bail-in foreseen in Article 44(2)(g) of the BRRD. For instance, most forms of liability for taxes, social security contributions or to employees benefit from privilege under Italian law and as such are preferred to ordinary senior unsecured creditors in the context of liquidation proceedings. Article 108 of the BRRD requires that Member States modify their national insolvency regimes such that deposits of natural persons and micro, small and medium sized enterprises in excess of the coverage level contemplated by deposit guarantee schemes created pursuant to the BRRD have a ranking in normal insolvency proceedings which is higher than the ranking which applies to claims of ordinary, unsecured, non-preferred creditors. In addition, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors. Legislative Decree No. 181/2015 has amended the creditor hierarchy in the



case of admission of Italian banks and investment firms to resolution as well as compulsory liquidation procedures by providing that, as from 1 January 2019, all deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SMEs will benefit from a preference in respect of senior unsecured liabilities, though with a ranking which is lower than that provided for individual/SME deposits exceeding the coverage limit of the deposit guarantee scheme. On 25 October 2017 the European Parliament, the Council and the European Commission agreed on elements of the review of the BRRD. As part of this process Article 108 of the BRRD was amended by Directive (EU) 2017/2399. Member States were required to adopt and publish relevant laws, regulations and administrative provisions necessary to comply with the amendment to the creditor hierarchy by 29 December 2018.

Legislative Decree No. 181/2015 has also introduced strict limitations on the exercise of the statutory rights of set-off normally available under Italian insolvency laws, in effect prohibiting set-off by any creditor in the absence of an express agreement to the contrary.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

### ***Revisions to the BRRD framework***

The Banking Reform Package included Directive (EU) 2019/879, which provides for a number of significant revisions to the BRRD (known as "**BRRD II**"). BRRD II provides that Member States are required to ensure implementation into local law by 28 December 2020 with certain requirements relating to the implementation of the standard on total loss absorbing capacity for systematically important banks ("**TLAC**") applying from January 2022 while the transitional period for full compliance with MREL requirements is foreseen until 1 January 2024, with interim targets for a linear build-up of MREL set at 1 January 2022. The Banking Reform Package includes, amongst other things:

- (i) full implementation of the FSB's TLAC standard in the EU and revisions to the existing MREL regime. Additional changes to the MREL framework include changes to the calculation methodology for MREL, criteria for the eligible liabilities which can be considered as MREL, the introduction of internal MREL and additional reporting and disclosure requirements on institutions;
- (ii) introduction of a new category of "top-tier" banks, being banks which are resolution entities that are not G-SIIs but are part of a resolution group whose total assets exceed €100 billion;
- (iii) the introduction of a new moratorium power for resolution authorities and requirements on the contractual stays in resolution; and
- (iv) amendments to the article 55 regime in respect of the contractual recognition of bail-in.

Changes to the BRRD under BRRD II will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

On 1 December 2021, Legislative Decree no. 193 of 8 November 2021 (“**Decree No. 193**”), implementing the BRRD II into the Italian jurisdiction, entered into force, amending Legislative Decree no. 180/2015 (Decree no. 180) and the Italian Banking Act.

The provisions set forth in the Decree No. 193 includes, among other things:

(i) *Changes to the MREL regulatory framework*

The amendments introduced to Legislative Decree no. 180/2015 aligned the Italian regulatory framework regulating MREL, and the criteria according to which it is calculated, to the provisions set forth in BRRD II.

In particular, the amended version of Decree No. 180 clearly envisages that MREL shall be determined by the Bank of Italy on the basis of the following criteria:

- (a) the need to ensure that the application of the resolution tools to the resolution entity is adequate to meet the resolution’s objectives;
- (b) the need to ensure that the resolution entity and its subsidiaries belonging to the same corporate group subject to resolution have sufficient own funds and eligible assets to ensure that, if the bail-in tool or write-down or conversion powers, respectively, were to be applied to them, losses could be absorbed and that it is possible to restore the total capital ratio and, as applicable, the leverage ratio to a level necessary to enable them to continue to comply with the conditions for authorisation, according to the regulatory framework currently in force, even if the resolution plan envisages the possibility for certain classes of eligible liabilities to be excluded from bail-in or to be transferred in full to a recipient under a partial transfer;
- (c) the size, the business model, the funding model and the risk profile of the entity; and
- (d) the extent to which the failure of the entity would have an adverse effect on financial stability, due to the interconnectedness of the entity with other institutions or entities or with the rest of the financial system.

(ii) *New ranking for subordinated instruments of banks which do not qualify as own fund*

Article 91 of the Banking Law has been modified by Decree No. 193 to transpose into the Italian legislative framework the provisions envisaged by Article 48(7) of the BRRD II.

In particular, according to the amended version of Article 91, subordinated instruments which do not qualify (and no part thereof is recognized) as own funds items shall rank senior to own funds items (including any instruments only partly recognized as own funds items) and junior to senior non-preferred instruments. Moreover, if own funds items cease, in their entirety, to be classified as such, they will rank senior to own funds items but junior to senior non-preferred instruments.

The abovementioned provisions also applies to instruments issued before the entrance into force of Decree No. 193, such as 1 December 2021.

(iii) *New minimum denomination requirement*

Article 12-ter of the Italian Banking Act, introduced by Decree No. 193, provides for the determination of a minimum unit value for bonds and debt securities issued by banks or investment firms equal to Euro 200,000 for subordinated bonds and other subordinated securities or Euro 150,000 for Senior Non Preferred debt instruments (“*strumenti di debito chirografario di secondo livello*”).

Any contracts entered into with non-professional investors and relating to investment services having as their object the instruments referred to in Article 12-ter of the Italian Banking Act issued after 1 December 2021, that do not respect the minimum unit value, shall be declared as null and void (Article 25-quarter of the Financial Services Act, as amended by Decree No. 193).

Without prejudice to the restrictions outlined above on the sale to retail investors, the ban previously in force on the placement of Senior Non Preferred debt instruments with non-qualified investors has been repealed by Article 5 of Decree No. 193.

As the BRRD II has only recently been implemented in Italy and other Member States, there is uncertainty as to the effects of its application in practice.

Also, certain provisions of the BRRD II remain subject to regulatory technical standards and implementing technical standards to be prepared by the European Banking Authority. In addition to the BRRD II, it is possible that the application of other relevant laws, the CRD V and the CRR II and any amendments thereto or other similar regulatory proposals, including proposals by the FSB on cross-border recognition of resolution actions, could be used in such a way as to result in the Notes absorbing losses in the manner described above. Any actions by the relevant resolution authority pursuant to the powers granted to it as a result of the transposition of the BRRD, as amended by the BRRD II, or other measures or proposals relating to the resolution of financial institutions, may adversely affect the rights of holders of the Notes, the price or value of an investment in the Notes and/or the Issuer’s ability to satisfy its obligations under the Notes.

***The Single Resolution Mechanism***

On 19 August 2014, SRMR entered into force. The SRMR became operational on 1 January 2016. There are, however, certain provisions including those concerning the preparation of resolution plans and provisions relating to the cooperation of the SRB with national resolution authorities, which entered into force on 1 January 2015. The SRMR was subsequently updated with the Banking Reform Package in June 2019. The SRMR, which complements the SSM, applies to all banks supervised by the SSM. It will mainly consist of the SRB and the SRF.

Regulation (EU) No. 2019/877 of the European Parliament and of the Council of 20 May 2019 (“**SRM II Regulation**”) amends the SRM Regulation as regards the loss-absorbing and recapitalization of credit institutions and investment firms.

The Single Resolution Mechanism framework ensures that, instead of national resolution authorities, there will be a single authority – i.e. the SRB – which takes all relevant decisions for the resolution of banks being supervised

by the SSM and part of the Eurozone. In line with the changes to BRRD II described above, revisions to the provisions of the SRM Regulation (in relation to MREL) are due to change in due course.

In such a context, it is worth to mention the process to review - started by the European Commission in November 2020 – the Crisis Management and Deposit Insurance ("CMDI") framework. Following this revision, new and different legal and regulatory requirements may apply to the Group, in particular the intention of the European legislator is to amend the BRRD, the SRMR and the Deposit Guarantee Schemes Directive ("DGSD").

### ***Measures to counter the impact of the "COVID-19" virus***

European and national authorities have undertaken several measures to support the banking and financial market to counter the economic effects of COVID-19.

On 10 March 2020, through an addendum to the 2019 credit agreement between the Italian Banking Association ("ABI") and the Business Associations, the possibility of requesting suspension or extension was extended to loans granted until 31 January 2020. The moratorium refers to loans to micro, small and medium-sized companies affected by the COVID-19 outbreak. The capital portion of loan repayment instalments may be requested to be suspended for up to one year, later extended until 30 June 2021. The suspension is applicable to medium/long-term loans (mortgages), including those concluded through the issue of agricultural loans, and to property or business assets leasing transactions. In the latter case, the suspension concerns the implicit capital instalments of the leasing. On 21 April 2020, through an agreement entered into with the consumer associations, the moratorium was extended to credit to households, including the suspension of the principal portion of mortgage-backed loans and unsecured loans repayable in instalments.

On 11 March 2020, ESMA, considering the spread of COVID-19 and its impact on the EU financial markets, issued four recommendations in the following areas: (1) business continuity planning, (2) market disclosure, (3) financial reporting and (4) fund management.

1. **Business Continuity Planning:** ESMA has recommended all financial market participants to be ready to apply their contingency plans to ensure operational continuity in line with regulatory obligations.
2. **Market disclosure:** issuers should disclose as soon as possible any relevant significant information concerning the impacts of COVID-19 on their fundamentals, prospects or financial situation in accordance with their transparency obligations under the Regulation (EU) No. 596/2014 (MAR), as a disclosure obligation contained in Article 17, paragraph 1 of the MAR, pursuant to which issuers are required to disclose to the public without delay any inside information directly concerning them.
3. **Financial reporting:** ESMA has recommended issuers to provide transparency on the actual and potential impacts of COVID-19, to the extent possible based on both a qualitative and quantitative assessment on their business activities, financial situation and economic performance in their 2019 year-end financial report if these have not yet been finalised or otherwise in their interim financial reporting disclosures.

4. Fund Management: ESMA has encouraged fund managers to continue to apply the requirements on risk management and to react accordingly.

The ECB, at its monetary policy meeting held on 12 March 2020, decided to adopt a comprehensive set of monetary policy measures, consisting of three key elements: first, safeguarding liquidity conditions in the banking system through a series of favourably-priced longer term refinancing operations (LTROs); second, protecting the continued flow of credit to the real economy through a fundamental recalibration of targeted longer term refinancing operations (TLTROs); and, third, preventing tightening of financing conditions for the economy in a pro-cyclical way via an increase in the asset purchase programme (APP).

As regards TLTRO, the Governing Council decided to apply considerably more favourable terms during the period from June 2020 to June 2021 to all TLTRO III operations outstanding during that time. Throughout this period, the interest rate on these TLTRO III operations will be 25 basis points below the average rate applied in the Eurosystem's main refinancing operations.

The Governing Council also decided to add a temporary envelope of additional net asset purchases of €120 billion until the end of the year, ensuring a strong contribution from the private sector purchase programmes. On 18 March 2020, this was followed by the announcement of the €750 billion Pandemic Emergency Purchase Program (PEPP), increased with a further €600 billion on 4 June 2020. Net asset purchases under the PEPP ended as of April 2022. Principal payments from maturing securities purchased under it are being reinvested in full.

On 12 March 2020, the ECB Banking Supervision leg, the SSM, published the first supervisory response to provide banks with a temporary capital and operational relief. According to the ECB statements: i) banks are allowed to operate temporarily below the level of capital defined by the Pillar 2 Guidance, the capital conservation buffer (CCB) and the LCR to release resources for financing households and undertakings; ii) the ECB encourages also national macroprudential authorities to relax the countercyclical capital buffer (“CCyB”); iii) banks are allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital to meet the Pillar 2 Requirements (P2R), for example Additional Tier 1 (AT1) or Tier II instruments; iv) banks will discuss with the ECB further individual measures, such as modified timetables, processes and deadlines (e.g. for on-site inspections or remedial actions); v) flexibility will be granted for the application of the ECB Guidance to banks on non-performing loans to adjust to bank's specific situation due to COVID-19.

On 10 February 2022, the ECB announced that it did not see it as necessary to allow banks to operate below the level of capital defined by their Pillar 2 Guidance beyond December 2022, nor to extend beyond March 2022 the supervisory measure that allow them to exclude central bank exposure from their leverage ratios. Therefore, banks are: (i) expected to operate above Pillar 2 Guidance from 1 January 2023; (ii) re-include central bank exposures in leverage ratio from 1 April 2022; and (iii) have ample headroom above capital and leverage ratio requirements.

Among the various measures adopted by the Italian government to address the epidemiological emergency due to COVID-19 outbreak, on 17 March 2020 Law Decree No. 18 (“**Cura Italia Decree**”) was adopted. The Cura Italia Decree has introduced special measures derogating from the ordinary proceeding of the Guarantee Fund for SMEs in order to simplify the requirements for access to the guarantee and strengthen the intervention of the Guarantee

Fund for SMEs itself, as well as the possibility of transforming the DTA relating to losses that can be carried forward but not yet deducted and to the amount of the ACE (“*Aiuto alla Crescita Economica*“) notional return exceeding the total net income, to the extent of 20 per cent. of the impaired loans sold by 31 December 2020.

On 20 March 2020, the ECB announced additional measures (in addition to those already undertaken on 12 March 2020 on temporary capital and operational relief for banks) to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations amid the COVID-19 related economic shock to the global economy. The ECB published also a detailed FAQ on the measures adopted with the aim of updating it as needed. In particular, the ECB recommended to:

- give banks further flexibility in prudential treatment of loans backed by public guarantees, by extending to them the preferential treatment foreseen in its Guidance for NPLs for loans guaranteed or insured;
- encourage banks to avoid excessive procyclical effects when applying the IFRS 9 international accounting standard;
- activate capital and operational relief measures announced on 12 March 2020.

On 25 March 2020, the EBA and ESMA published detailed statements to address IFRS 9 accounting issues due to the COVID-19 outbreak and linked to the exceptional measures taken by banks and governments to address the situation, which affected compliance with the EBA Guidelines on the definition of default (DoD) and forbearance/past-due classifications of loans.

The EBA statement of 25 March 2020 explained the functioning of the prudential framework in relation to the exposures in default, the identification of forborne exposures and impaired exposures in accordance with IFRS 9. In particular, EBA has clarified some additional aspects of the operation of the prudential framework concerning:

- the classification of exposures in default;
- the identification of forborne exposures;
- the accounting treatment of the aforesaid exposures

Specifically, the EBA repeated the concept of flexibility in the application of the prudential framework, clarifying that an exposure should not be automatically reclassified as (i) exposure in default, (ii) forborne exposure, or (iii) impaired exposure under International Financial Reporting Standard - IFRS9, in case of adoption of credit tolerance measures (such as debt moratorium) by national governments.

The ESMA statement of 25 March 2020 provided guidance on the application of IFRS 9 (Financial Instruments) addressed to issuers and auditors with regard to the calculation of expected losses and related disclosure requirements, in particular, as regards the suspension (or deferral) of payments established for credit agreements (e.g. moratorium on debt) that impact the calculation of Expected Credit Loss (ECL) under the principles set forth in IFRS 9. On 20 May 2020, ESMA published a Public Statement addressing the implications of the COVID-19

pandemic on the half-yearly financial reports of listed issuers (the "**Public Statement**"). The Public Statement provided recommendations on areas of focus identified by ESMA and highlighted: i) the importance of providing relevant and reliable information, which may require issuers to make use of the time allowed by national law to publish half-yearly financial reports while not unduly delaying the timing of publication; ii) the importance of updating the information included in the latest annual accounts to adequately inform stakeholders of the impacts of COVID-19, in particular in relation to significant uncertainties and risks, going concern, impairment of non-financial assets and presentation in the statement of profit or loss; and iii) the need for entity-specific information on the past and expected future impact of COVID-19 on the strategic orientation and targets, operations, performance of issuers as well as any mitigating actions put in place to address the effects of the pandemic. The Public Statement was conceived to be applicable also to financial statements in other interim periods when IAS 34 Interim Financial Reporting is applied. It called on the management, administrative and supervisory bodies, including audit committees, of issuers and, where applicable, their auditors, to take due consideration of the recommendations included within the statement."

On 27 March 2020, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision ("**GHOS**"), has deferred Basel III implementation to increase operational capacity of banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the COVID-19 on the global banking system.

The measures endorsed by the GHOS comprise the following changes to the implementation timeline of the outstanding Basel III standards:

- the implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor has also been extended by one year to 1 January 2028.
- the implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023.
- the implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023.

On 27 March 2020, the European Central Bank published a recommendation addressed to significant banks to refrain from paying dividends and from share buy-backs aimed at remunerating shareholders for the duration of the economic shock related to COVID-19. The ECB has decided to extend the recommendation on dividends until 1 January 2021 with the new Recommendation ECB/2020/35 that repeals the previous Recommendation ECB 2020/19 of 27 March 2020.

On 15 December 2020, the ECB recommended that banks exercise extreme prudence on dividends and share buy-backs. To this end, the ECB asked all banks to consider not distributing any cash dividends or conducting share buy-backs, or to limit such distributions, until 30 September 2021. Given the persisting uncertainty over the economic impact of the COVID-19 pandemic, the ECB expects dividends and share buy-backs to remain below

15 per cent. of the cumulated profit for 2019-2020 and not higher than 20 basis points of the CET1 ratio. Banks that intend to pay dividends or buy back shares need to be profitable and have robust capital trajectories. They are expected to contact their Joint Supervisory Team to discuss whether the level of intended distribution is prudent. The recommendation remained valid until the end of September 2021. On 23 July 2021, the ECB decided not to extend dividend recommendation beyond September 2021 with the new Recommendation ECB/2021/31. In particular, the ECB considered that the reduced economic uncertainty allows the thorough supervisory assessment of the prudence of bank's plans to distribute dividends and conduct share buybacks on an individual basis with a careful forward-looking assessment of capital plans in the context of the normal supervisory cycle.

On 1 April 2020 the ECB provided banks with further clarifications on the use of forecasts for the Expected Credit Loss (ECL) calculations under IFRS 9, after having invited banks to opt, if not done before, for applying the IFRS 9 five-year transitional arrangements included in the CRR to mitigate the First Time Application (FTA) capital impact of the new accounting principle.

On 2 April 2020, the EBA published more detailed guidance on the criteria to be fulfilled by legislative and non-legislative moratoria applied before 30 June 2020. The Guidelines acknowledged that Member States have implemented a broad range of support measures in order to minimise the medium- and long-term economic impacts of the efforts taken to contain the COVID-19 pandemic. In light of this, the EBA Guidelines clarify several aspects of payment moratoria, such as that they do not automatically trigger the classification as forborne or distressed restructuring if the measures taken are based on the applicable national law or on an industry or sector-wide private initiative agreed and applied broadly by the relevant credit institutions. In June 2020, the EBA further extended the application date of its Guidelines by three months, from until 30 September 2020, and on the 21 September, communicated its phasing-out. However, on 2 December 2020 the Guidelines were reactivated until 31 March 2021.

On 29 January 2021, the EBA published the "Report on the implementation of selected COVID-19 policies", which contains a series of clarifications in the form of questions and answers (Q&A) on the interpretation of the EBA Guidelines, in particular with regard to the overall duration of the deferred payment to fall within the scope of the EBA Guidelines on moratoriums. However, the clarifications did not concern the hypothesis in which the moratorium pursuant to law, even if granted before 31 September, was extended for more than 9 months due to a subsequent law.

In continuity with the Cura Italia Decree, Law Decree no. 23 of 8 April 2020 ("**Liquidity Decree**") was issued, a further measure deemed necessary to support Italian entrepreneurship. The Liquidity Decree, in addition to providing an additional guarantee managed by SACE Simest (SACE), a company of the Cassa Depositi e Prestiti group, aims to further strengthen the Guarantee Fund for SMEs by redrawing its rules for accessing, by including also companies with no more than 499 employees and professionals, as well as increasing the guarantee coverage percentages already provided by Article 49 of the Cura Italia Decree (provision that is repealed). In the wake of the latter provision, the Liquidity Decree makes further exceptions to the ordinary rules of the Guarantee Fund for SMEs, which will be applicable until 31 December 2020. The Government extended such measures until 30 June 2022.



On 28 April 2020, the European Commission published a legislative proposal for amending the CRR to ease banking activity during the COVID-19 emergency and ensure the flow of loans to households and businesses.

The measures, both temporary and exceptional, have been promoted to mitigate the immediate impact of COVID-19 related developments, and they imply:

- the reintroduction of prudential filters to manage the current situations of strong turbulence in the markets and to neutralize the effects of losses and gains on the value of debt securities held in the portfolio available for sale as if the securities were valued at cost instead of at fair value;
- a temporary approach to market risk in order to allow supervisors to implement appropriate measures to avoid automatic increases in the quantitative addendum (in particular over the period January 2020 and December 2021);
- more favourable treatment of government guarantees granted during the crisis, aligning the calendar provisioning applied to positions with government guarantees with the calendar provisioning applied to credits guaranteed by Export Credit Agencies;
- early application of certain measures provided for in CRR2: i) extension of the SME Supporting Factor; ii) introduction of the Infrastructure Supporting Factor; iii) improved weighting calibration for loans guaranteed by salary/pension share disposals; iv) improved prudential treatment of software;
- an adaptation of the timeline of the application of international accounting standards to banks' capital (IFRS9 phase-in arrangements);
- the postponement of the date of application of the additional reserve requirement for the leverage ratio of systemic banks ("G-SIB buffer");
- a change in the way of excluding certain exposures from the calculation of the leverage ratio;
- the introduction of a transitional regime for EU Sovereign exposures in the currency of another EU Member State.

Following the positive vote of the plenary session of the European Parliament (19 June 2020), the "CRR Quick-Fix" has been published in the European Official Journal on 26 June and has entered into force the following day (27 June 2020).

On 19 May 2020, the Law Decree No. 34 of 19 May 2020 (the so-called "**Decreto Rilancio**") was published in the Official Journal, introducing urgent measures in the areas of healthcare, work and economic support, as well as social policies, related to the epidemiological emergency caused by COVID-19.

Such decree has been signed in the Law No. 77/2020. It introduced some provisions (valid until 31 December 2020) which are aimed at strengthening SME's capital, thus preventing their insolvency risk. Particular reference is made to two public tools: "Patrimonio PMI" fund, which is aimed at subscribing new bonds issued by SME

corporates with €10 million turnover, which have been impacted by COVID-19 a turnover reduction of 33 per cent. in April and May 2020 (two tax credits are granted to other investors <20 per cent. of the investment> in such corporates, and to the corporates above indicated which have suffered losses <50 per cent. of the losses which exceed the 10 per cent. of the Net worth, but in the limit of the 30 per cent. of the capital increase>); and the so-called "Patrimonio rilancio" (Dedicated assets within CDP) which is aimed at subscribing new bonds (mainly convertible bonds) and shares in order to support the real economy.

In August 2020 the Government approved the Law Decree "August" (Law Decree 14 August 2020, No. 104, converted into Law 13 October 2020, No. 126) containing several urgent measures in support of health, work and economy, linked to the COVID-19 emergency. The measures introduced by the Law regard the extension of the moratorium for SME until 31 January 2021 (formerly 30 September 2020) and, for tourist sector, until 31 March 2021. Such prorogation operate automatically, unless expressly waived by the beneficiary company. They also provide technical changes to the possibility (Article 55, Law Decree Cura Italia No. 18/2020) to convert the DTAs into tax credits (application to special regimes, such as consolidated and transparency). The decree above mentioned also widens the scope of the public guarantee, too, extending the FCG guarantee scope to companies which already got a prorogation of the guarantee due to temporary difficulties of the beneficiary and including financial intermediation and holding financial assets activities in the 30k guaranteed loans. It also extends SACE guarantee scope also to companies admitted to the arrangement procedure with business continuity (or certified plans and restructuring agreements) if their exposures are not classifiable as non-performing exposures (at the date of submission of the application), they don't present amounts in arrears and the lender can reasonably assume the full repayment of the exposure at maturity.

In October and November 2020, the Council of Ministers approved the "Relieves" Law Decree (Law Decree 28 October 2020, No. 137) and the "Relieves 2" Law Decree (Law Decree 9 November 2020, No.

149) which provides further urgent measure regarding health protection, support to workers and production sectors, justice and safety linked to COVID-19 epidemic. Main measures introduced by the Law are a non-refundable aid for enterprises whose sectors have been restricted and the prorogation of "rental" Tax credit to October-December period and extension to enterprises with turnover exceeding €5 million and which have had a 50 per cent. reduction of turnover. In March 2021, the Council of Ministers approved the "Support" Law Decree (Law Decree 22 March 2021, No. 41) which provides further urgent measure regarding health protection, support to workers and production sectors linked to COVID-19 pandemic. Such decree introduces a new non-refundable aid for enterprises and professionals which have had a 30 per cent. reduction of turnover.

Finally, among the measures adopted in response to the COVID-19 emergency, we recall the Capital Markets Recovery Package proposal (so-called "quick fix") published by the European Commission in July, which proposes targeted amendments to the MiFID, the Prospectus Regulation as well as the Securitization Regulation. The package aimed to provide European economies with some relief to face the crisis emerging from the COVID-19 pandemic.

## PLAN OF DISTRIBUTION

References in this Base Prospectus to "**Mandated Dealer(s)**" are to the entity listed in the paragraph headed "**Dealer**" in the section headed "Description of the Issuance Programme" above and to such additional entities which are appointed from time to time as dealers in respect of the whole Programme (and whose appointment has not been terminated). References to "**Dealers**" are to all entities appointed from time to time as a dealer solely in respect of one or more Tranches, which may include but is not limited to, any Mandated Dealer(s).

The Issuers may from time to time appoint one or more Dealer(s) in respect of the Programme or in relation to a single Tranche only during the term of the Notes. Any such new Dealer(s) shall accede to the Dealer Agreement by execution of a dealer accession letter substantially in the form set out in Schedule 4 (*Form of Dealer Accession Letter*) to the Programme Manual (the "**Dealer Accession Letter**") and will become a party to a dealer agreement dated 7 June 2023 between the Issuers, Guarantor and Mandated Dealer, as further amended or supplemented from time to time (the "**Dealer Agreement**") with all the authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer thereunder.

Subject to the terms and conditions of the Dealer Agreement, the Notes will be offered on a continuous basis by each Issuer to the Mandated Dealers. However, in respect of single Tranches, the relevant Issuer has reserved the right to sell Notes directly on its own behalf to Dealers which are not Mandated Dealers.

The relevant Issuer may also offer and sell Notes directly to investors without the involvement of any Dealer.

The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of such Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

Pursuant to the terms and conditions of the Dealer Agreement, the relevant Issuer, failing which, where applicable, the Guarantor, has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by Mediobanca, Mediobanca International and MBFL, acting together or, in relation to itself and Mediobanca, Mediobanca International and MBFL only, by any Dealer, at any time on giving not less than ten Business Days' notice.

References in this Base Prospectus to "**Permanent Dealers**" are to the persons listed in the paragraph headed "*Dealers*" in the section headed "Description of the Structured Note Issuance Programme" above and to such additional persons which are appointed from time to time as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "*Dealers*" are to all Permanent Dealers and all persons appointed from time to time as a dealer solely in respect of one or more Tranches.

Subject to the terms and conditions contained in a dealer agreement dated 18 September 2023 as further amended or supplemented from time to time (the "**Dealer Agreement**") between the Issuers, the Guarantor, the Arrangers and the Permanent Dealers, the Notes will be offered on a continuous basis by each Issuer to the Permanent

Dealers. However, the relevant Issuer has reserved the right to sell Notes directly on its own behalf to Dealers which are not Permanent Dealers. The relevant Issuer may also offer and sell Notes directly to investors without the involvement of any Dealer. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of such Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

Pursuant to the terms and conditions of the Dealer Agreement, the relevant Issuer, failing whom, where applicable, the Guarantor, has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by Mediobanca, Mediobanca International and MBFL, acting together or, in relation to itself and Mediobanca, Mediobanca International and MBFL only, by any Dealer, at any time on giving not less than ten Business Days' notice.

### **General**

The selling restrictions described below may be modified by the agreement of the relevant Issuer, the Guarantor (where applicable) and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws, regulations and directives in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense, and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the relevant Issuer, the Guarantor (where applicable), nor any other Dealer shall have responsibility therefor. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in this sub-section headed "General".

### **Ireland**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered sold, underwritten or placed and will not offer, sell, underwrite or place, or do anything with respect to, the Notes:

- (a) otherwise than in conformity with the provisions of (i) the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017) (the "**MiFID II Regulations**"), including, without limitation, Regulation 5 (*Requirement for authorisation (and certain provisions concerning MTFs and OTFs)*) thereof and in connection with the MiFID II Regulations it will conduct itself in accordance with any applicable rules or codes of conduct or practice issued, any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland and (ii) the Investor Compensation Act 1998 of Ireland and the Investment Intermediaries Act 1995 of Ireland to the extent applicable;
- (a) otherwise than in conformity with all applicable provisions of Regulation (EU) No 600/2014 and Directive 2014/65/EU (together, "**MiFID II**") and any applicable rules or codes of conduct or practice in connection therewith and if acting under an authorisation granted to it for the purposes of MiFID II, otherwise than in conformity with the terms of that authorisation;
- (b) otherwise than in conformity with the provisions of the Market Abuse Regulation (Regulation (EU) 596/2014), the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU), the European Union (Market Abuse) Regulations 2016 (S.I. No. 349 of 2016) and any other Irish market abuse law as defined in those Regulations or in the Companies Act 2014 of Ireland (the "**2014 Act**") and any rules made or guidance issued by the Central Bank of Ireland in connection with the foregoing, including any rules made or guidelines issued by the Central Bank of Ireland under Section 1370 of the 2014 Act; and
- (c) otherwise than in conformity with the provisions of (i) the Prospectus Regulation (Regulation (EU) 2017/1129) and any delegated or implementing acts adopted thereunder, the European Union (Prospectus) Regulations 2019 (S.I. No. 380 of 2019) and any other Irish prospectus law as defined in the 2014 Act, the Central Bank (Investment Market Conduct) Rules 2019 (S.I. No. 366 of 2019), and any other rules made or guidelines issued under Section 1363 of the 2014 Act by the Central Bank of Ireland (ii) the 2014 Act (iii) the Central Bank Acts 1942 to 2018 of Ireland and any rules or codes of conduct or practice made under Section 117(1) of the Central Bank Act 1989 of Ireland and any regulations issued pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 of Ireland, and (iv) every other enactment that is to be read together with any of the foregoing Acts.

References in this section to any legislation (including, without limitation, European Union legislation) shall be deemed to refer to such legislation as the same has been or may from time to time be amended, supplemented, consolidated or replaced and shall include reference to all implementing acts or measures, delegated acts, statutory instruments, regulations, rules and guidance in respect thereof.

#### ***United States of America***

Neither the Notes nor the Guarantee thereof have been nor will they be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

The applicable Final Terms will identify whether Regulation S Compliance Category 2, TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver the Notes (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

***Prohibition of sales to EEA Retail Investors***

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or

- (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes does not include a legend entitled “Prohibition of Sales to EEA Retail Investors”, in relation to each Member State of the European Economic Area (each, a “**Relevant State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer to the public of such Notes in that Relevant State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a Non-exempt Offer) following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

**provided that** no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

*For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms*

of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

### **United Kingdom**

#### **Prohibition of sales to UK Retail Investors**

Unless the Final Terms in respect of any Notes includes the legend “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes does not include the legend “Prohibition of Sales to UK Retail Investors”, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (A) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a **Public Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer,



in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

- (B) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (D) at any time in any other circumstances falling within section 86 of the FSMA,

**provided that** no such offer of Notes referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

*For the purposes of this provision, the expression “an offer of Notes to the public” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.*

#### ***Other regulatory restrictions***

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) ***No deposit-taking***: in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) ***Financial promotion***: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the

meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not, or, in the case of the Issuer or the Guarantor would not, if it was not an authorised person, apply to the Issuer or the Guarantor; and

- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Republic of Italy

Unless the final terms in relation to the Notes specify that a Non-exempt Offer may be made in the Republic of Italy, the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy except:

- (1) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and Italian CONSOB regulations; or
- (2) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (1) or (2) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Italian Banking Act**”); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time,) and/or any other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, to the extent it is applicable, where no exemption from the rules on public offerings applies under paragraphs (1) and (2) above, the subsequent distribution of the Notes on the secondary market in the Republic of Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971/1999. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

## Switzerland

This Base Prospectus does not constitute an offer or solicitation to purchase or invest in any Notes described herein.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes may not be publicly offered, sold or advertised, directly or indirectly, in or into Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**"), except under the following exemptions under the FinSA:

- (a) to any person that qualifies as a professional client within the meaning of the FinSA; or
- (b) in any other circumstances falling within Article 36 of the FinSA;

provided, in each case, that no such offer of Notes referred to in (i) and (ii) above shall require the publication of a prospectus for offers of Notes and/or the publication of a key information document ("**KID**") (or an equivalent document) pursuant to the FinSA.

The Notes have not been and will not be listed or admitted to trading on any trading venue in Switzerland.

Neither this Base Prospectus nor any other offering or marketing material relating to any offer, the Notes or an Issuer constitutes a prospectus or a KID (or an equivalent document) as such terms are understood pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to any offer, the Notes or an Issuer may be distributed or otherwise made available in Switzerland in a manner which would require the publication of a prospectus or a KID (or an equivalent document) in Switzerland pursuant to the FinSA.

Neither this Base Prospectus nor any other offering or marketing material relating to any offer, the Notes or an Issuer have been or will be filed with or approved by any Swiss regulatory authority.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## TAXATION

**The tax laws of the investor's Member State and of the issuer's Member State of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.**

*The following is a general overview of certain Italian, Luxembourg and Irish tax consequences of the purchase, ownership and disposal of the Notes. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors and of Notes, some of which (such as dealers in securities or commodities, certain non-Italian resident Noteholders purchasing Notes convertible or exchangeable into shares and holders of certain Credit Linked Notes) may be subject to special rules.*

*Prospective purchasers of the Notes are advised to consult in any case their own tax advisers concerning the overall tax consequences of their purchase, ownership and disposal of the Notes.*

*This summary assumes that Mediobanca, Mediobanca International and MBFL are resident for tax purposes in the Republic of Italy and in Luxembourg respectively and are structured and conduct their business in the manner outlined in this Prospectus. Changes in Mediobanca and/or Mediobanca International and/or MBFL's organisational structure, tax residence or the manner in which each of them conducts its business, as well as in case of Substitution of the Issuer as fully set out in Condition 19 (Substitution of the relevant Issuer) of the Base Terms and Conditions of the Notes, may invalidate this summary. This overview also assumes that each transaction with respect to the Notes is at arm's length.*

*Where in this overview English terms and expressions are used to refer to Italian, Luxembourg and Irish concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian, Luxembourg and Irish concepts under Italian, Luxembourg and Irish tax laws.*

*This overview is based upon the laws and/or practice in force as at the date of this Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis.*

*Neither Mediobanca, Mediobanca International nor MBFL will update this summary to reflect changes in laws and/or practice. If any such change should occur, the information in this summary could become obsolete.*

### **(A) ITALIAN TAXATION OF THE NOTES ISSUED BY MEDIOBANCA**

The Notes issued by Mediobanca may be subject to different tax regimes depending on whether:

- they qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) implying a capital investment (*impiego di capitale*); or

- they qualify as atypical securities (*titoli atipici*); or
- they qualify as derivative financial instruments or bundles of derivative financial instruments.

Depending on the features of the Notes, the following Italian tax treatments may apply to the Notes.

### **1. Notes qualifying as bonds or securities similar to bonds**

Decree No. 239 regulates the tax treatment of interest, premium and other income including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from certain securities issued, *inter alia*, by Italian resident banks. The provisions of Decree No. 239 only apply to those Notes which qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Decree No. 917. For this purpose, securities similar to bonds are securities that (i) entail an unconditional obligation to pay, at maturity, an amount not lower than their nominal value (with or without payment of periodic interest) and (ii) do not give any right to directly or indirectly participate in the management of the issuer or of the business in relation to which the securities are issued nor any type of control on the management.

#### ***Italian resident Noteholders***

Pursuant to Decree No. 239, payments of Interest accrued on Notes issued by Mediobanca are subject to a substitute tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. in the Republic of Italy (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes) if made to beneficial owners who are:

- (1) individuals resident in the Republic of Italy for tax purposes, holding the Notes not in connection with entrepreneurial activities; or
- (2) Italian resident non-commercial partnerships (other than "*società in nome collettivo*", or "*società in accomandita semplice*" or similar partnerships), or a *de facto* partnerships not carrying out commercial activities or professional associations; or
- (3) Italian resident private or public institutions, other than companies, trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (4) investors exempt from Italian corporate income tax.

All the above categories are qualified as "net recipients" (unless they have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and has opted for the so-called "*regime del risparmio gestito*" (the "**Asset Management Regime**"), according to Article 7 of Decree No. 461 of 21 November 1997, as amended and supplemented from time to time ("**Decree No. 461**").

In the event that the Noteholders described above under (1) and (3) are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional income tax. As a consequence,

Interest on the Notes will be included in the relevant beneficial owner's Italian income tax return and will be subject to ordinary income tax and the *imposta sostitutiva* tax may be recovered as a deduction from the income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Interest in respect of Notes that qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) received by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the 26 per cent. *imposta sostitutiva* on Interest if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraphs 100 – 114, of Law No. 232 of 11 December 2016 (as further amended and applicable from time to time, "**Law No. 232**") and Article 1, paragraphs 211-215, of Law no. 145 of 30 December 2018 (as further amended and applicable from time to time, "**Law No. 145**") and in Article 13-*bis* of Law Decree No. 124 of October 26, 2019 (as further amended and applicable from time to time, "**Law Decree No. 124**"). Pursuant to Article 1, paragraphs 219-225-*bis* of Law n. 178 of 30 December 2020 as further amended and applicable from time to time ("**Finance Act 2021**"), it is further provided that Italian resident individuals investing in long-term individual savings account compliant with Article 13-*bis*, paragraph 2-*bis* of Decree 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realised in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (*e.g.* including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

Pursuant to Decree No. 239, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so-called "**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stockbrokers and other qualified entities identified by a decree of the Ministry of Finance ("**Intermediaries**" and each an "**Intermediary**") that must (A) (i) be resident in Italy, (ii) be a permanent establishment in Italy of non-Italian resident Intermediaries or an entity or (iii) be an entity or a company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239, and (B) intervene in any way in the collection of Interest or, also as transferees, in the transfers or, disposals of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Notes and the relevant coupons are not deposited with an Italian resident Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian resident Intermediary paying Interest to the holders of the Notes or, in its absence, by the Issuer.

Interest payments will not be subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are:

- (1) Italian resident corporations or permanent establishments in Italy of non resident corporations to which the Notes are effectively connected;

- (2) Italian resident partnerships carrying out commercial activities ("*società in accomandita semplice*" or "*società in nome collettivo*");
- (3) Italian resident open-ended or closed-ended collective investment funds (together the "**Funds**" and each a "**Fund**"), Italian investment companies with variable capital ("SICAVs"), Italian resident non-real estate investment companies with fixed capital ("SICAFs"), Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 ("**Decree No. 252**"), Italian resident real estate investment funds ("**Real Estate Funds**") and Italian real estate investment companies with fixed capital ("**Real Estate SICAFs**") subject to the regime provided for by Law Decree No. 351 of 25 September 2001;
- (4) Italian resident individuals holding the Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Regime.

Such categories are qualified as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of *imposta sostitutiva*, gross recipients indicated here above under (1) to (4) must: (a) be the beneficial owners of payments of Interest on the Notes and (b) timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial intermediary (or a permanent establishment in Italy of a foreign Intermediary). Where the Notes and the relevant coupons are not deposited with an Italian intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

Where the Notes and the relevant coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian Intermediary (or permanent establishment in Italy of foreign intermediary) which intervenes in the payment of Interest to any Noteholder or by the Issuer and Noteholders who are Italian resident companies or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct the *imposta sostitutiva* suffered from income taxes due.

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Regime in connection with their investment in the Notes are subject to a 26 per cent. annual *imposta sostitutiva* (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes during the holding period). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

If the investor is resident in Italy and is a Fund, a SICAV or a non-real estate SICAF and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the Fund, SICAV or non-real estate SICAF. The Fund, SICAV or SICAF will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Where a Noteholder is a Real Estate Fund or a Real Estate SICAF to which the provisions of Law Decree No. 351 of 25 September, 2001, as subsequently amended, apply, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a Real Estate Fund or a Real Estate SICAF. The income of the real Estate Fund or of the Real Estate SICAF is subject to tax, in the hands of the unitholder, depending on the *status* and percentage of participation, or, when earned by the Fund, through distribution and/or upon redemption or disposal of the units.

Where a Noteholder is an Italian resident pension funds subject to the regime provided by Article 17 of Decree No. 252, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but will be subject to a 20 per cent. tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes during the holding period).

Subject to certain limitations and requirements (including minimum holding period), Interest relating to the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraphs 100-114 of Law No. 232 and Article 1, paragraphs 211-215-*bis*, of Law No. 145, and in Article 13-*bis* of Law Decree No. 124 as amended and applicable from time to time. Pursuant to Article 1, paragraphs 219-225 of the Finance Act 2021, it is further provided that Italian resident individuals investing in long-term individual savings account compliant with Article 13-*bis*, paragraph 2-*bis* of Decree 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realised in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (*e.g.* including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

Interest accrued on the Notes by beneficial owners who are Italian resident corporations and permanent establishments in Italy of foreign entities to which the Notes are effectively connected are subject to tax in Italy in accordance with ordinary rules and would be included in the taxable income for corporate income tax purposes (IRES), currently applying at a rate of 24 per cent. (increased by an additional tax at the rate of 3.5 in case of Bank of Italy and financial institutions, with the exclusion of SGRs) and in certain circumstances, depending on the "status" of the Noteholder also in the net value of production for the purposes of regional tax on productive activities (IRAP), generally applying at a rate of 3.9 per cent. (which may be varied by each Italian Region by up to 0.92 per cent.).

#### ***Non-Italian resident Noteholders***

Pursuant to Decree No. 239, payments of Interest accrued on Notes issued by Mediobanca which qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) will not be subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are non-Italian resident beneficial owners of Notes not having a permanent establishment in Italy to which the Notes are effectively connected, **provided that:**



- such beneficial owners are resident for tax purposes in a State or territory which allows for an adequate exchange of information with the Italian tax authorities as included in the Decree of the Minister of Finance dated 4 September 1996, as amended and supplemented from time to time. According to Article 11(4)(c) of Decree 239 the White List will be updated every six months period. In absence of the issuance of the new White List, reference has to be made to the above-mentioned Decree dated 4 September 1996, as amended from time to time; an
- all the requirements and procedures set forth in Decree No. 239 and the relevant implementing rules in order to benefit from the exemption from the *imposta sostitutiva* have been promptly and properly complied with in due time.

Decree No. 239, also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international bodies and organisations established in accordance with international agreements ratified in Italy, (ii) certain foreign institutional investors resident or established in State or territory included in the White List, even if they do not have the *status* of taxpayer in their own country of establishment; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of the *imposta sostitutiva*, non-Italian resident investors indicated above must:

- be the beneficial owners of payments of Interest on the Notes;
- deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with an Italian bank or SIM or with a permanent establishment in Italy of a non-Italian resident bank or SIM, or with a non-Italian resident entity participating in a centralised securities management system which is in contact, via computer, with the Italian Ministry of Economics, and
- file in due time with the relevant depository a self-declaration (*autocertificazione*) stating, *inter alia*, to be resident, for tax purposes, or established, as the case may be, in a State or territory included in the White List. Such statement which is requested neither for international bodies nor for entities set up in accordance with international agreements ratified by Italy nor for foreign Central Banks or entities managing, *inter alia*, official State reserves - must comply with the requirements set forth by Italian Ministerial Decree of 12 December 2001 and is valid until withdrawn or revoked. Additional statements may be required for non-Italian resident Noteholders who are institutional investors. The self-declaration (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident holder of the Notes to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of the *imposta sostitutiva* on the Interest payments to a non-resident holder of the Notes.

Non-resident holders of the Notes who are subject to *imposta sostitutiva* might, nevertheless, be eligible for a total or partial relief under an applicable double taxation treaty between the Republic of Italy and the country of residence of the relevant holder of the Notes.

### ***Fungible Issues***

Pursuant to Article 11, paragraph 2 of Decree No. 239, where the relevant issuer issues a new tranche forming part of a single series with a previous tranche, for the purposes of calculating the amount of interest subject to substitute tax, the issue price of the new tranche will be deemed to be the same as the issue price of the original tranche. This rule applies where (a) the new tranche is issued within 12 months from the issue date of the previous tranche, and (b) the difference between the issue price of the new tranche and that of the original tranche does not exceed 1 per cent. of the nominal value of the notes multiplied by the number of years of the duration of the notes.

### ***Capital gains tax***

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable business income (and, in certain circumstances, depending on the "*status*" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by Italian resident companies, Italian resident partnerships carrying out commercial activities or similar commercial entities (including Italian permanent establishments of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Pursuant to Decree No. 461, where an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activities to which the Notes are connected, (ii) an Italian resident partnership not carrying out commercial activities or (iii) an Italian private or public institution not carrying out mainly or exclusively commercial activities, any capital gain realised by such Noteholder from the sale or transfer for consideration of the Notes would be subject to a substitute tax (*imposta sostitutiva*), levied at the current rate of 26 per cent.. Noteholders may generally offset against capital losses with gains of the same nature.

In respect of the application of such substitute tax, taxpayers may opt for one of the three regimes described below.

Under the so called "*regime della dichiarazione*" (the "**Tax Declaration Regime**"), which is the standard regime for taxation of capital gains, the 26 per cent *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss of the same nature, realised pursuant to all investment transactions carried out during any given tax year. The overall capital gains realised in any tax year, net of any incurred capital loss of the same nature, must be reported in the relevant annual tax return and the substitute tax must be paid on such gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realised in any of the four succeeding tax years.

As an alternative to the Tax Declaration Regime, the holders of the Notes who are:

- Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected;

- Italian resident partnerships not carrying out commercial activities;
- Italian private or public institutions not carrying out mainly or exclusively commercial activities,

may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes under the so called "*regime del risparmio amministrato*" (the "**Administrative Savings Regime**"), according to Article 6 of Decree No. 461. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (or permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the Administrative Savings Regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Where a sale or transfer or redemption of the Notes results in a capital loss, such loss may be offset against capital gains of the same nature subsequently realised, within the same relationship of deposit, in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Where the Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorised financial intermediary, the capital gains realised upon sale, transfer or redemption of the Notes will not be subject to the substitute tax on capital gains but will contribute the determination of the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Under the Asset Management Regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain conditions, capital gains in respect of Notes that qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) realised upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the *imposta sostitutiva* of 26 per cent., if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) pursuant Article 1, paragraph 100 – 114, of Law No. 232 and Article 1, paragraphs 211-215, of Law No. 145, and in Article 13-*bis* of Law Decree No. 124 as amended and applicable from time to time. Pursuant to Article 1, paragraphs 219-225-*bis* of the Finance Act 2021, it is further provided that Italian resident individuals investing in long-term individual savings account compliant with Article 13-*bis*, paragraph 2-*bis* of Decree 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realised in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (*e.g.* including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

Any capital gains on Notes held by Funds, SICAVs and non-real estate SICAFs contribute to determine the increase in value of the managed assets of the Funds, SICAVs or non-real estate SICAFs accrued at the end of each tax year. The Funds, SICAVs or SICAFs will not be subject to taxation on such increase, but the Collective Investment Fund Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where a Noteholder is an Italian resident Real Estate Fund or Real Estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund or Real Estate SICAF. The income of the Real Estate Fund or Real Estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the Real Estate Fund or Real Estate SICAF, through distribution and/or upon redemption or disposal of the units.

Any capital gains on Notes held by a Noteholder who is an Italian pension fund (subject to the regime provided for by Article 17 of Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent.. Pension Fund Tax.

Subject to certain limitations and requirements (including minimum holding period), capital gains in respect of Notes realised upon sale, transfer or redemption by Italian resident pension fund may be excluded from the taxable base of the Pension Fund Tax, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraphs 100 - 114 of Law No. 232 and Article 1, paragraphs 211-215, of Law No. 145, and in Article 13-bis of Law Decree No. 124 as amended and applicable from time to time. Pursuant to Article 1, paragraphs 219-225-bis of the Finance Act 2021, it is further provided that Italian resident individuals investing in long-term individual savings account compliant with Article 13-bis, paragraph 2-bis of Decree 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realised in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (*e.g.* including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

Capital gains realised by non-Italian-resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected from the sale or redemption of Notes traded on regulated markets in Italy or abroad are not subject to the *imposta sostitutiva*, regardless of whether the Notes are held in Italy. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the Asset Management Regime or are subject to the Administrative Savings Regime, may be required to file in due time to the Italian authorised financial intermediary an appropriate statement (*autocertificazione*) that they are not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected from the sale or redemption of Notes not traded on regulated markets issued by

an Italian or non-Italian resident issuer may in certain circumstances be taxable in Italy, if the Notes are held in Italy.

Where the Notes are not listed on a regulated market in Italy or abroad:

- pursuant to the provisions of Decree No. 461 non Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes (a) in a State or territory included in the White List and (b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from the *imposta sostitutiva* are met or complied with in due time. The same exemption applies where the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries included in the White List, even if they do not have the status of tax payers in their own country of residence; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.
- In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with the Republic of Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to the *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon the sale or redemption of Notes.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate statement (*autocertificazione*) stating that they meet the aforesaid requirement.

Please note that for a non-Italian resident, the Administrative Savings Regime shall automatically apply, unless it is expressly waived this regime, where the Notes are deposited in custody or administration with an Italian resident authorised financial intermediary or permanent establishment in the Republic of Italy of a foreign intermediary.

## **2. Notes qualifying as atypical securities**

Notes issued by Mediobanca which represent a capital investment but do not fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) may qualify as 'atypical' securities (*titoli atipici*) pursuant to article 5 of Decree No. 512. In that case, Interest payments relating to Notes issued by Mediobanca may be subject to a 26 per cent. withholding tax. For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or indirectly participate

in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Where the Noteholder is (i) an Italian resident individual engaged in an entrepreneurial activity to which the Notes are connected, (ii) an Italian resident company or a similar Italian resident commercial entity, (iii) a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected, (iv) an Italian resident commercial partnership or (v) an Italian resident commercial private or public institution, the 26 per cent. withholding tax applies as a provisional withholding tax. In all other cases - including if the Noteholder is non-Italian resident - the withholding tax applies as a final withholding tax.

Subject to certain limitations and requirements (including a *minimum* holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Notes which qualify as "atypical" securities) pursuant to Article 5 of Law Decree No. 512 of 30 September 1983, if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraph 100 -114 of Law No. 232 and Article 1, paragraphs 211-215, of Law No. 145, and in Article 13-*bis* of Law Decree No. 124 as amended and applicable from time to time. Pursuant to Article 1, paragraphs 219-225-*bis* of the Finance Act 2021, it is further provided that Italian resident individuals investing in long-term individual savings account compliant with Article 13-*bis*, paragraph 2-*bis* of Decree 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realised in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (*e.g.* including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

Double taxation treaties entered into by Italy may apply allowing for a lower (generally 10 per cent., or, in certain cases, nil) rate of withholding tax in the case of payments to non-Italian resident Noteholders, subject to proper compliance with applicable subjective and procedural requirements.

For the sake of completeness, it is worth pointing out that non-Italian resident Noteholders may be entitled to claim, if certain relevant conditions are met, a reduction of such 26 per cent. withholding tax under the double taxation treaty, if any, entered into by Italy and its country of residence, subject to timely filing of required documentation.

### **3. Notes qualifying as derivative securities**

Where the proceeds from the Notes issued by Mediobanca qualify as securitised derivative financial instruments do not qualify as income from a capital investment, the tax regime described under Section 1.4 above applies according to article 67 of Decree No. 917 and Decree No. 461.

#### **(B) LUXEMBOURG TAX REGIME OF THE NOTES ISSUED BY MEOBANCA INTERNATIONAL AND MBFL**

## **1. Tax treatment of the Notes issued by Mediobanca International and MBFL in Luxembourg**

*The Notes should follow their debt accounting treatment, and be treated as debt from a Luxembourg direct tax point of view. However, the Luxembourg tax authorities may in the future conclude that based on their features the Share Linked Notes are to be considered as equity for Luxembourg tax purposes and, accordingly, follow the tax treatment of equity.*

### ***Luxembourg tax residency of the holders of the Notes***

A holder of the Notes will not become resident, or be deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes (holding of the Notes includes receipt of interest and repayment of the principal).

### ***Luxembourg direct tax treatment of the Notes***

#### **(a) Luxembourg tax treatment of Notes qualifying as debt**

##### ***Withholding tax***

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however:

- (i) with respect to Luxembourg resident investors, to the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 (the “**Relibi Law**”), as modified, which foresees a 20% final withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management their private wealth) on interest payments made by Luxembourg paying agents to Luxembourg individual residents. This withholding tax also applies on accrued interest received upon sale, redemption or repurchase of the Notes. Luxembourg resident investors not holding the Notes as business assets may benefit, under conditions, from such final 20% withholding tax for interest payments that are made through a paying agent established in another EU-Member State or in a Member State of the European Economic Area; and
- (ii) responsibility for the withholding of tax in application of the above-mentioned Luxembourg law of 23 December 2005, as amended, is assumed by the Luxembourg paying agent within the meaning of the Relibi Law.

### ***Income taxation of the holders of the Notes***

#### ***Taxation of Luxembourg non-residents***

Non-resident holders of Notes, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income thereon are attributable, are not subject to Luxembourg

income taxes on income accrued or received, redemption premiums or issue discounts, under the Notes nor on capital gains realised on the sale, exchange or disposal of the Notes.

Non-resident corporate or individual holders of Notes acting in the course of the management of a professional or business undertaking, who have a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which or to whom such Notes are attributable, are subject to Luxembourg income tax (and where applicable municipal business tax) on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale, exchange or disposal of the Notes.

#### *Taxation of Luxembourg residents*

Luxembourg resident holders of the Notes will not be liable for any Luxembourg income tax on repayment of principal under the Notes.

#### *Resident individual holders of the Notes*

Resident individual holders of the Notes, acting in the course of the management of his/her private wealth, are subject to Luxembourg income tax at progressive rates in respect of interest or similar income received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a currently 20% tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State).

A gain realised by resident individual holders of the Notes, acting in the course of the management of his/her private wealth, upon the sale, exchange or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale, exchange or disposal took place more than six (6) months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

Resident individual holders of the Notes, acting in the course of the management of a professional or business undertaking must include interest or similar income received, redemption premiums or issue discounts, under the Notes, as well as any gain realised upon the sale, exchange or disposal, in any form whatsoever, of Notes, in their taxable basis, which will be subject to Luxembourg income tax at progressive rates. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

#### *Resident corporate holders of the Notes*

Resident corporate holders of the Notes or foreign enterprises having a permanent establishment in Luxembourg must include any interest or similar income received, redemption premiums or issue discounts, under the Notes,



as well as any gain realised upon the sale, exchange or disposal, in any form whatsoever, of the Notes, in their taxable income for Luxembourg income tax assessment purposes.

Corporate holders of the Notes that are governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 on reserved alternative investment funds and which do not fall under the special tax regime set out in article 48 thereof, are neither subject to Luxembourg income tax (or where applicable municipal business tax) in respect of interest or similar income received, redemption premiums or issue discounts, under the Notes, nor on any gain realised upon the sale, exchange or disposal, in any form whatsoever, of the Notes.

#### *Net Wealth Tax*

Resident corporate holders of the Notes as well as non-resident corporate holders of the Notes which maintain a permanent establishment, fixed place of business or a permanent representative in Luxembourg to which such Notes or income thereon are attributable, are subject to Luxembourg net wealth tax on such Notes, except if the holders of the Notes are a family estate management company introduced by the law of 11 May 2007 on family estate management companies, as amended, an undertaking for collective investment governed by the law of 17 December 2010 on undertakings for collective investment, as amended, a securitisation vehicle governed by and compliant with the law of 22 March 2004 on securitisation, as amended, a capital company governed by and compliant with the law of 15 June 2004 on venture capital vehicles, as amended, a specialised investment fund governed by the law of 13 February 2007 on specialised investment funds, as amended, a reserved alternative investment fund governed by the law of 23 July 2016 on reserved alternative investment funds<sup>8</sup> or a professional pension institution governed by the law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital and pension savings associations.

Non-resident corporate holders of Notes, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income thereon are attributable, as well as individual holders of Notes, whether he/she is resident of Luxembourg or not, are not subject to Luxembourg net wealth tax on such Notes.

#### **(b) Luxembourg tax treatment of Notes qualifying as equity**

#### ***Withholding Tax***

In principle, dividends (including interest qualified tax-wise as dividends) paid by the Issuer to the holders of Notes are subject to a 15% withholding tax in Luxembourg.

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<sup>8</sup> Please note however that securitisation companies governed by the law of 22 March 2004 on securitisation, as amended, capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, and reserved alternative investment funds governed by the law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof, professional pension institutions governed by the law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital and pension savings associations may, under certain conditions, be subject to minimum net wealth tax.

However, subject to the provisions of an applicable double tax treaty, the rate of the withholding tax may be reduced.

Furthermore, a domestic withholding the exemption may apply if, at the time the dividend is made available, (i) the receiving entity is an eligible company which (ii) has held or commits itself to hold for an uninterrupted period of at least 12 months a participation of at least 10% of the share capital of the Issuer or a participation of an acquisition price of at least EUR 1.2 million. Eligible entities include either a company covered by Article 2 of the amended EU Parent-Subsidiary Directive, or a Luxembourg permanent establishment thereof, or a company resident in a State having concluded a double tax treaty with Luxembourg and subject to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment thereof, or a company limited by shares (*société de capitaux*) or a cooperative society (*société coopérative*) resident in the European Economic Area other than an EU Member State and liable to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment thereof, or a Swiss company limited by share capital which is effectively subject to corporate income tax in Switzerland without benefiting from an exemption. However, the domestic withholding tax exemption will not apply in case the transaction qualifies as an abuse of law under the general anti-abuse rule.

### ***Income Tax***

#### *Luxembourg Resident Individual Holder of Notes*

Dividends (including interest qualified tax-wise as dividends) derived from the Notes by resident individual holders, who act in the course of the management of either their private wealth or their professional or business activity, are subject to income tax at the progressive ordinary rate. Such dividend may benefit from the 50% exemption set forth in Article 115, section 15, letter a) of the LITL, subject to the fulfilment of the conditions set out therein. A tax credit is further granted for Luxembourg withholding taxes, if any.

Capital gains realised on the disposal of the Notes by resident individual holders, should not be subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains on the Notes are deemed to be speculative gains and are subject to income tax at ordinary income tax rates if the Notes are disposed of within 6 months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a Luxembourg resident individual holder of the Notes has either alone or together with his spouse and/or underage children, held directly or indirectly at any time within the 5 years preceding the disposal, more than 10% of the share capital of the Issuer. A holder of the Notes is also deemed to alienate a substantial participation if he acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the transferor (or any of the successive transferor in case of successive transfers free of charge within the same 5-year period). Capital gains realised on a substantial participation more than 6 months after the acquisition thereof are subject to income tax according to the half-global rate method. A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the Notes.

#### *Luxembourg Resident Corporate Holders of Notes*

Dividends (including interest qualified tax-wise as dividends) and other payments derived from the Notes and paid to a Luxembourg fully taxable resident company are subject to income tax, unless the conditions of the participation exemption regime, as described below, are satisfied. If these conditions are not met, under current Luxembourg tax laws, 50% of the gross amount of dividends (including interest qualified tax-wise as dividends) received on the Notes may be exempt from income tax pursuant to article 115, section 15, letter a) of the LITL. A tax credit is further granted for Luxembourg withholding taxes, if any.

Under the participation exemption regime, dividends (including interest qualified tax-wise as dividends) derived from the Notes may be exempt from income tax at the level of the holder of the Notes, except for the amount of the expenses which directly relate to this shareholding and which have reduced the Luxembourg fully taxable resident company's taxable basis in the year of receipt of the dividend, if cumulatively, (i) the holder of the Notes is a Luxembourg resident fully taxable company, or a Luxembourg permanent establishment of a company covered by Article 2 of the amended EU Parent-Subsidiary Directive, or a Luxembourg permanent establishment of a company limited by share capital resident in a country having a tax treaty with Luxembourg, or a Luxembourg permanent establishment of a limited company or a cooperative company resident in the European Economic Area other than a EU Member State, (ii) the beneficiary has held or commits itself to hold the Notes for an uninterrupted period of at least 12 months at the time of the distribution and (iii) during this whole period, the Notes represent a participation of at least 10% in the share capital of the Issuer or a participation of an acquisition price of at least EUR 1.2 million. The benefits of the participation exemption regime do not however apply where the transaction qualifies as an abuse of law under the general anti-abuse rule.

Capital gains realised by a Luxembourg fully taxable resident company on the Notes are subject to income tax at ordinary rates. However, under the participation exemption regime, capital gains realised on the Notes may be exempt from income tax, except for the amount of the expenses which directly relate to this shareholding and which have reduced the Luxembourg fully taxable resident company's taxable basis in the year of disposal and prior years, if the above-mentioned conditions are met except that the acquisition price threshold is EUR 6 million for capital gains purposes. Taxable gains are determined as being the difference between the price for which the Notes have been disposed of and the fiscal value.

#### *Luxembourg Resident Companies benefiting from a Special Tax Regime*

Holders of Notes who are undertakings for collective investment governed by the law of 17 December 2010, as amended, specialised investment funds governed by the law of 13 February 2007, as amended, reserved alternative investment funds organised as specialised investment funds under the law of 23 July 2016, or family wealth management companies governed by the law of 11 May 2007, as amended, are exempt from income tax in Luxembourg. Dividends (including interest qualified tax-wise as dividends) derived from and capital gains realised on the Notes are thus not subject to income tax in their hands.

Companies subject to the law of 15 June 2004, as amended, on venture capital investment companies and or reserved alternative investment funds organised as venture capital investment companies under the law of 23 July 2016 might enjoy an exemption on income and gains from the Notes in accordance with, and subject to, the requirements of such law.

### *Luxembourg Non-Resident Holders of Notes*

Non-resident holders of Notes who have neither a permanent establishment nor a permanent representative in the Grand Duchy of Luxembourg to which the Notes are attributable are generally not liable to any Luxembourg income tax, whether they receive payments of dividends (including interest qualified tax-wise as dividends) or realize capital gains upon sale of the Notes, except for capital gains realised on a substantial participation (see above under section (a) before the acquisition or within the first 6 months of the acquisition thereof that are subject to income tax in Luxembourg at ordinary rates (subject to applicable double tax treaties).

### *Permanent Establishment of Luxembourg Non-Resident Holders of Notes*

Dividends (including interest qualified tax-wise as dividends) received by a Luxembourg permanent establishment or a permanent representative of a non-resident holder of Notes to which the Notes are attributable, as well as capital gains realised on such Notes, are subject to Luxembourg income tax, unless the conditions of the participation exemption regime are satisfied (see above under section (b)). Dividends (including interest qualified tax-wise as dividends) deriving from Notes that do not qualify for the 100% exemption and received by a Luxembourg permanent establishment or permanent representative may benefit from the 50% exemption of the gross amount as described above according to article 115, section 15, letter a) of the LITL. A tax credit is further granted for the Luxembourg withholding tax, if any.

### *Net Wealth Tax*

Luxembourg net wealth tax will not be levied on a holder of a Note unless: (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Grand Duchy of Luxembourg.

Under the participation exemption regime, the Notes may be exempt from net wealth tax at the level of the holder of the Notes, if cumulatively, (i) the holder of the Notes is a Luxembourg resident fully taxable company, or a Luxembourg permanent establishment of a company covered by Article 2 of the amended EU Parent-Subsidiary Directive, or a Luxembourg permanent establishment of a company limited by share capital resident in a country having a tax treaty with Luxembourg, or a Luxembourg permanent establishment of a limited company or a cooperative company resident in the European Economic Area other than a EU Member State and (ii) the Notes represent a participation of at least 10% in the share capital of the Issuer or a participation of an acquisition price of at least EUR 1.2 million. The benefits of the participation exemption regime do not however apply where the transaction qualifies as an abuse of law under the general anti-abuse rule.

Minimum net wealth tax will be levied under certain circumstances only if the holder of the Note is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions.

Luxembourg resident individuals are generally not subject to net wealth tax.

### (c) **Other Taxes**

In principle, neither the issuance nor the transfer of Notes will give rise to any Luxembourg stamp duty, value-added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

However, a fixed registration duty may be due upon the registration of the Notes in Luxembourg in case where (i) the Notes are physically attached to a public deed or to any other document subject to mandatory registration, (ii) the Notes are deposited in the minutes of a notary (*déposé au rang des minutes d'un notaire*) or (iii) in case of a registration of the Notes on a voluntary basis or attachment to a document that is voluntarily registered.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a notary or recorded in Luxembourg.

(d) **Foreign Account Tax Compliance Act**

Pursuant to sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution”, which does not become a participating foreign financial institution by entering into an agreement with the U.S. Internal Revenue Service or is not otherwise exempt from or in deemed compliance with FATCA, may be required to withhold a 30% tax on certain payments it makes (foreign pass-through payments) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Luxembourg) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply until two years after the date of the publication of Treasury Regulations defining the term “foreign passthru payments” and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign pass-through payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

(e) **CRS**

The Issuer may be required to report certain information about its Noteholders and, as the case may be, about individuals controlling Noteholders that are entities, on an automatic and annual basis to the Luxembourg tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 24 July 2015 concerning FATCA, and/or the Luxembourg law of 18 December 2015 implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the “**Common Reporting Standard**”), each as amended from time to time (each an **AEOI Law** and collectively the **AEOI Laws**). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Notes (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.

Each Noteholder and prospective investor agrees to provide, upon request by the Issuer (or its delegates), any such information, documents and certificates as may be required for the purposes of the Issuer’s identification and Reporting Obligations under any AEOI Law. The Issuer reserves the right to reject any application for Notes or to redeem Notes (i) if the prospective investor or Noteholder does not provide the required information, documents or certificates or (ii) if the Issuer (or its delegates) has reason to believe that the information, documents or certificates provided to the Issuer (or its delegates) are incomplete or incorrect and the Noteholder does not provide, to the satisfaction of the Issuer (or its delegates), sufficient information to cure the situation. Prospective investors and Noteholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Issuer nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Issuer (or its delegates). Any Noteholder failing to comply with the Company’s information requests may be charged with any taxes and penalties imposed on the Issuer attributable to such Noteholder’s failure to provide complete and accurate information.

Each Noteholder and prospective investor acknowledges and agrees that the Issuer will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

#### **(C) ITALIAN TAX TREATMENT OF THE NOTES ISSUED BY MEDIOBANCA INTERNATIONAL AND MBFL IN ITALY**

The Notes issued by Mediobanca International and MBFL may be subject to different tax regimes depending on whether:

- they qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) implying a capital investment (*impiego di capitale*); or

- they qualify as atypical securities (*titoli atipici*); or
- they qualify as derivative financial instruments or bundles of derivative financial instruments.

Depending on the features of the Notes, one of the following Italian tax treatments may apply to the Notes.

(a) **Notes qualifying as bonds or securities similar to bonds**

***Italian resident Noteholders***

Decree No. 239 regulates the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from certain securities issued, *inter alia*, by non-Italian resident entities. The provisions of Decree No. 239 only apply to those Notes which qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Decree No. 917. For this purposes securities similar to bonds are securities that (i) entail an unconditional obligation to pay, at maturity, an amount not lower than their nominal value (with or without periodic interest payments) and (ii) do not give any right to directly or indirectly participate in the management of the issuer or of the business in relation to which the securities are issued nor any type of control on the management.

Pursuant to Decree No. 239, a substitute tax, referred to as *imposta sostitutiva* at a rate of 26 per cent. is applied on Interest on Notes qualifying as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Decree No. 917 issued by a non-Italian resident issuer accrued during the relevant holding period, if received by:

- (1) an Italian resident individual not engaged in an entrepreneurial activity to which the Notes are connected unless he has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the Asset Management Regime according to Article 7 of Decree No. 461; or
- (2) an Italian resident partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a *de facto* partnership not carrying out commercial activities or professional association; or;
- (3) an Italian resident private or public institutions, other than companies, trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (4) Italian resident investors exempt from Italian corporate income taxation.

If the Noteholders described under (1) and (3) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. As a consequence, the Interest is subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Interest in respect of Notes that qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) received by

Italian resident individuals holding the Notes not in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the 26 per cent. substitute tax, on Interest if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraphs 100 – 114, of Law No. 232/2002 and Article 1, paragraphs 211-215, of Law No. 145, and in Article 13-*bis* of Law Decree No. 124 as amended and applicable from time to time. Pursuant to Article 1, paragraphs 219-225-*bis* of the Finance Act 2021, it is further provided that Italian resident individuals investing in long-term individual savings account compliant with Article 13-*bis*, paragraph 2-*bis* of Decree 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realised in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (*e.g.* including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

Pursuant to Decree 239, the 26 per cent. *imposta sostitutiva* is applied by Italian Intermediaries or by permanent establishments in the Republic of Italy of Intermediaries resident outside Italy. Where the Notes and the relevant coupons are not deposited with an Intermediary, the substitute tax is applied and withheld by any Italian Intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of Interest to any Noteholder or, in its absence, by the Issuer.

Where Interest on Notes beneficially owned by the subjects from (1) to (4) above are not collected through the intervention of an Italian Intermediary (or permanent establishment in Italy of foreign intermediary) and as such no *imposta sostitutiva* is applied, the above Italian resident beneficial owners will be required to declare Interest in their yearly income tax return and subject them to final substitute tax at a rate of 26 per cent. (only limited to those Noteholders not engaged in a business activity to which the Notes are effectively connected), unless option for a different regime is allowed and made. Italian resident Noteholders that are individuals not engaged in entrepreneurial activity may elect instead to pay ordinary personal income taxes at the progressive rates applicable to them in respect of Interest on such Notes: if so, the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

Where an Italian resident Noteholder who is beneficial owner of the Notes is a company, an Italian resident commercial partnership or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes and relevant coupons are timely deposited with an Intermediary, Interest from the Notes will not be subject to the substitute tax, but must be included in the relevant Noteholder's annual income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the *status* of the Noteholder, also to IRAP). In such cases, the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

For Noteholders who are Funds, SICAVs, non-real estate SICAFs, Real Estate Fund, Real Estate SICAF or Italian pension funds (subject to the regime provided for by Article 17 of Decree No. 252), please refer to paragraph "*Italian Taxation of the Notes issued by Mediobanca Notes qualifying as bonds or similar securities - Italian resident Noteholders*" above.



### ***Non-Italian resident Noteholders***

*Imposta sostitutiva* is not applied on interest payments to a non-Italian resident Noteholder not having a permanent establishment in Italy to which the Notes are effectively connected of Interest relating to Notes issued by a non-Italian resident issuer.

If Notes issued by a non-Italian resident issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident financial intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident financial intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of Interest on such Notes, to ensure payment of Interest without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or other intermediary a statement (*autocertificazione*) stating that he or she is not resident in Italy for tax purposes.

### ***Capital gains tax***

Any gain obtained from the sale or transfer or redemption of the Notes by Italian resident Noteholders would be subject to the same tax regimes as described under section 1.4. "*Capital gains tax*", above.

Capital gains realised upon sale, transfer or redemption of the Notes by non Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected may, in certain circumstances, be subject to a 26 per cent. *imposta sostitutiva*, if the Notes are held in Italy. However, the same exemptions illustrated under the section (A) 1.4 "*Capital gains tax*" apply to the benefit of non-Italian residents if capital gains on the Notes might become taxable due to the holding of the Notes in Italy.

### ***Fungible issues***

Pursuant to Article 11, paragraph 2 of Decree No. 239, where the relevant issuer issues a new tranche forming part of a single series with a previous tranche, for the purposes of calculating the amount of interest subject to *imposta sostitutiva*, the issue price of the new tranche will be deemed to be the same as the issue price of the original tranche. This rule applies where (a) the new tranche is issued within 12 months from the issue date of the previous tranche, and (b) the difference between the issue price of the new tranche and that of the original tranche does not exceed 1 per cent. of the nominal value of the notes multiplied by the number of years of the duration of the notes.

#### **(b) Notes qualifying as atypical securities**

Interest payments to Italian resident Noteholders relating to Notes issued by a non-Italian resident issuer which represent a capital investment but do not qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) may qualify as "atypical" securities (*titoli atipici*) pursuant to article 5 of Decree No.512 and may be subject to Italian withholding tax, levied at the rate of 26 per cent.. For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or

indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

If the Notes are issued by a non-Italian resident issuer, a 26 per cent. withholding tax may apply in Italy if the Notes are placed ("*collocate*") in Italy and Interest payments on the Notes are collected through an Italian bank or other qualified financial intermediary. However, the 26 per cent. "entrance" withholding tax does not apply to Interest payments made:

- (a) to a non-Italian resident Noteholder. If Notes issued by a non-Italian resident issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident financial intermediary (or permanent establishment in Italy of foreign financial intermediary) or are sold through an Italian bank or other resident financial intermediary (or permanent establishment in Italy of foreign financial intermediary) or in any case an Italian resident financial intermediary (or permanent establishment in Italy of foreign financial intermediary) intervenes in the payment of Interest on such Notes, to ensure payment of Interest without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or other financial intermediary a statement (*autocertificazione*) stating that he or she is not resident in Italy for tax purposes; and
- (b) to an Italian resident Noteholder which is (i) an Italian resident commercial partnership, (ii) an Italian resident company or a similar Italian resident commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are effectively connected) and (iii) a commercial private or public institution. In particular, in such cases, Interest must be included in the relevant Noteholder's annual income tax return, to be therefore subject to ordinary Italian business income taxation (and, in certain circumstances, depending on the *status* of the Noteholder, also to IRAP) according to the ordinary rules and the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

With respect to the other categories of Italian resident Noteholders, if Interest payments on Notes issued by a non-Italian resident issuer are not collected through an Italian resident bank or other financial intermediary, and as such no withholding tax is required to be levied, such Noteholders will be required to report the payments in their annual income tax return and subject them to a final substitute tax at rate of 26 per cent. (only limited to those Noteholders not engaged in a business activity to which the Notes are effectively connected). Italian resident individual beneficial owners holding Notes not in connection with a business activity may elect instead to pay ordinary personal income tax at the progressive rates applicable to them in respect of Interest payments: if so, the beneficial owners should generally benefit from tax credit for withholding taxes applied outside Italy, if any.

In case the Notes issued by a non-Italian resident issuer are held by an Italian resident individual engaged in a business activity and are effectively connected with same business activity, the Interest will be subject to the 26 per cent. withholding tax on a provisional basis and will be included in the relevant income tax return. As a consequence, the Interest will be subject to the ordinary income tax and the withholding tax may be recovered as a deduction from the income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Notes which qualify as "atypical" securities) pursuant to Article 5 of Law Decree No. 512 of 30 September 1983, if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 -114 of Law No. 232 232 and Article 1, paragraphs 211-215, of Law No. 145, and in Article 13-*bis* of Law Decree No. 124 as amended and applicable from time to time. Pursuant to Article 1, paragraphs 219-225-*bis* of the Finance Act 2021, it is further provided that Italian resident individuals investing in long-term individual savings account compliant with Article 13-*bis*, paragraph 2-*bis* of Decree 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realised in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (*e.g.* including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

(c) **Notes qualifying as derivative securities**

Where the proceeds from the Notes issued by Mediobanca International and MBFL qualify as securitised derivative financial instruments do not qualify as income from a capital investment, the tax regime described under Section (A) "*Capital gains tax*" above applies according to article 67 of Decree No. 917 and Decree No. 461.

(D) **PAYMENTS MADE BY THE GUARANTOR UNDER THE GUARANTEE**

There is no authority directly regarding the Italian tax regime of payments on notes made by an Italian resident guarantor. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian courts would not support such an alternative treatment.

With respect to payments on the Notes made to Italian resident Noteholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any such payments may be subject to Italian withholding tax at the rate of 26 per cent. levied as a final tax or a provisional tax depending on the "*status*" of the Noteholder, pursuant to Decree No. 600. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax in case of payments to non-Italian residents, subject to proper compliance with relevant subjective and procedural requirements.

In accordance with another interpretation, any such payment made by the Guarantor should be treated, in certain circumstances, as a payment by the relevant Issuer and made subject to the tax treatment described above under paragraph "*Italian Taxation of Notes issued by Mediobanca*" and "*Luxembourg Tax regime of the Notes issued by Mediobanca International and MBFL*".

(a) **Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, as converted in law, with amendments, by Law No. 286 effective from 24 November 2006, transfers of Notes as a result of death or donation (or other transfers for no consideration) are generally taxed in Italy as follows:

- (i) transfers in favor of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding € 1,000,000.00 for each beneficiary;
- (ii) transfers in favor of siblings are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding € 100,000.00 for each beneficiary;
- (iii) transfers in favor of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift; and
- (iv) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the beneficiary has a serious disability recognised by law, inheritance and gift taxes apply on its portion of the net asset value exceeding € 1,500,000.00.

If the donee sells the Notes for consideration within 5 years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

A tax credit may be available for the inheritance and gift tax paid in Italy under the applicable double tax treaty on inheritance and gift, if any.

(b) **Transfer tax**

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to a fixed registration tax at a rate of € 200.00; (ii) private deeds are subject to registration tax at a rate of € 200.00 only if they are voluntary registered or if the so-called "*caso d'uso*" or "*enunciazione*" occurs.

(c) **VAT and registration tax**

If the relevant Issuer decides to redeem the Notes upon their maturity by physical delivery to the investor, Italian VAT and/or registration tax may become payable.

(d) **Stamp Duty**

Pursuant to Article 13 par. 2<sup>ter</sup> of the tariff Part I attached to Presidential Decree No. 642 of 26 October, 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to its clients in respect of any financial product and instrument, including the Notes, which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent.

and it cannot exceed € 14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the basis of face value or redemption value, or in the case the face or redemption values cannot be determined, on the basis of purchase value of the financial assets (including banking bonds, *obbligazioni* and capital adequacy financial instruments) held.

The statement is deemed to be sent at least once a year, including with respect to the instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted.

Pursuant to the law and the implementing decree issued by the Italian Ministry of Economy on 24 May, 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June, 2012) of an entity that exercises a banking, financial or insurance activity in any form within the Italian territory.

**(e) Wealth tax on Notes deposited abroad**

Pursuant to Article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals non commercial entities, non commercial partnerships and similar institutions resident in Italy for tax purposes holding financial instruments, including the Notes, outside the Italian territory are required to declare them in their own annual tax returns and pay a wealth tax at the rate of 0.2 per cent. (IVAFE). Starting from fiscal year 2020, the wealth tax cannot exceed € 14,000 for taxpayers which are not individuals. The wealth tax is calculated on the market value at the end of the relevant year or, where no market value is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial asset held abroad by Italian resident individuals, including the Notes. A tax credit is granted for any foreign property tax levied abroad on the same financial assets. The financial assets held abroad are excluded from the scope of the wealth tax, if such financial assets are administered by Italian financial intermediaries pursuant to an administration agreement.

**(f) Tax Monitoring Obligations**

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar entities resident in Italy for tax purposes are required, in certain circumstances, to report in their annual income tax return, (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), according to Law Decree No. 167 of 28 June, 1990, converted into law by Law Decree No. 227 of 4 August, 1990, as amended from time to time, for tax monitoring purposes:

- (1) the amount of Notes issued by Mediobanca held abroad during each tax year;
- (2) the amount of Notes, issued by Mediobanca International, held abroad during each tax year; and
- (3) the amount of Notes, issued by Mediobanca International, held abroad during each tax year.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

The above reporting requirement does not apply with respect to (i) foreign investments (including the Notes) deposited for management with Italian financial intermediaries or relevant contracts entered into through their intervention, upon condition that any related income has been subject to tax by such financial intermediaries, or (ii) if the foreign investments are exclusively composed of deposits and/or bank accounts and their aggregate value does not exceed € 15,000 threshold throughout the year.

(g) **Financial transaction tax**

Where the relevant Issuer decides to redeem the Share Linked Notes at their maturity by delivering Shares to the investor, an Italian Financial Transaction Tax ("**IFTT**") may apply. In particular, Article 1(491) of Law No. 228 of 24 December 2012 (the "**Stability Law for 2013**") as amended by Law Decree of 21 June 2013, N° 69, introduced a stamp duty-like IFTT of 0.2 per cent. on the transfer of shares and other equity-like instruments issued by Italian resident entities (for this purpose, residence must be determined on the basis of the location of the entity's registered office). This also encompasses any financial instruments that have such shares or equity-like instruments as their underlying assets, irrespective of the issuer's residence. The IFTT applies even if the transfer takes place outside Italy and/or any of the parties to the transaction are not resident in Italy.

The IFTT rate is reduced by half to 0.1 per cent. if the transfer takes place on a regulated market or multilateral trading system. The tax is determined with reference to the net daily balance of purchase and sale transactions performed by the same person in the same financial instrument. In particular, the taxable base is determined by multiplying: (i) the number of securities corresponding to the sum of the net daily balance of purchase and sale transactions for each financial instrument for which there are net purchases (as opposed to net sales); and (ii) the weighted average price of the purchases of such financial instruments carried out on the relevant day.

Article 1(492) of the Stability Law for 2013 introduces a fixed levy IFTT that applies to all transactions involving equity derivatives which have Italian shares, Italian equity-like instruments or Italian equity-related instruments as their underlying assets. An equity derivative is subject to the IFTT if the underlying or reference value consists of more than 50 per cent., of the market value of Italian shares, Italian equity-like instruments or Italian equity-related instruments, as measured on either: (i) the date of issuance, for financial instruments traded on regulated markets or on multilateral trading systems; or (ii) the date when the relevant contract is entered into in all other cases. The IFTT applies even if the transfer takes place outside Italy and/or any of the parties to the transaction are not resident in Italy.

The amount of tax due depends on the type of derivative instrument and on the contract's value, but is subject to a maximum of Euro 200. This IFTT is reduced to 1/5 of the relevant amount if the transfer takes place on a regulated market or multilateral trading system. If a derivative is equity-settled, the consequent share transaction is ordinarily subject to the IFTT under Article 1(491) of the Stability Law for 2013.

The IFTT under Article 1(491) of the Stability Law for 2013 is due by and borne by the (ultimate) transferee of the shares or equity-like instruments. The IFTT under Article 1(492) of the Stability Law for 2013 is due by each party involved in the relevant transaction. The IFTT must be paid and accounted for to the Italian tax authorities by any intermediary intervening in any way in the execution of such transactions, *e.g.* banks, fiduciary companies or investment firms licensed to provide investment services on a professional basis to the public in accordance with Article 18 of Italian Legislative Decree No. 58 of 24 February 1998, including non-Italian resident intermediaries. However, the Stability Law for 2013 provides that such an intermediary is permitted to refrain from executing the relevant transaction until they have received the amount of IFTT due on the transaction from the relevant person referred to above. Non-Italian resident intermediaries may appoint an Italian withholding agent as a tax representative in order to take care of the compliance regarding the IFTT. In the event that several financial intermediaries are involved, the obligation to make the payment of the IFTT to the Italian tax authorities falls on the party that directly receives the transaction order from the parties. If no intermediary is involved in a transaction, the relevant parties referred to above must pay the IFTT due directly to the Italian tax authorities.

A 0.02 per cent. IFTT has also been introduced on high frequency trading carried out on the Italian financial market.

Some exemptions may apply.

IFTT should not apply to Notes which qualify as atypical securities. However, an official position of the Italian Tax Authority in this regard is not available.

**(E) IRISH TAXATION OF THE NOTES ISSUED BY MEDIOBANCA, MEDIOBANCA INTERNATIONAL AND MBFL**

The following is a summary of the Irish withholding tax treatment of the Notes. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes.

The summary is based upon the laws of Ireland and the published practices of the Revenue Commissioners of Ireland as in effect on the date of this Base Prospectus. Prospective investors in the Notes should consult their own advisers as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Notes including, in particular, the effect of any state or local law taxes, if applicable.

**(a) Irish withholding tax**

Irish withholding tax applies to certain payments including payments of:

- Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);
- Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and

- Distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax.

Such withholding tax arises at the standard rate of income tax (currently 20 per cent.) to payments of Irish source yearly interest and Irish source annual payments, and at a prescribed rate of 25 per cent. to distributions.

On the basis that the relevant Issuer is not resident in Ireland for the purposes of Irish tax, nor does the relevant Issuer operate in Ireland through a branch or agency with which the issue of the Notes is connected, nor are the Notes held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Notes, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation.

Accordingly, the relevant Issuer or any paying agent acting on behalf of the relevant Issuer (save as described at Irish Encashment Tax below) should not be obliged to deduct any amount on account of Irish tax from payments made in connection with the Notes.

Separately, for as long as the Notes are quoted on a stock exchange, an investor should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Notes.

(b) **Irish encashment tax**

Payments on any Notes paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Notes will be subject to Irish encashment tax at a prescribed rate of 25 per cent., unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Notes entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be the income of another person that is resident in Ireland. Separately, an exemption will apply where the payment is made to a company where that company is beneficially entitled to that income and is or will be within the charge to corporation tax in respect of that income.

(F) **PROPOSED EUROPEAN FINANCIAL TRANSACTIONS TAX (FTT)**

On 14 February 2013, the European Commission has published a proposal (the Commission's Proposal) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating EU Member States**"). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating EU Member States. Generally, it would apply to certain dealings in the Notes where at least



one party is a financial institution, and at least one party is established in a Participating EU Member State. A financial institution may be, or be deemed to be, "established" in a Participating EU Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating EU Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating EU Member State.

Joint statements issued on 8 December 2015 by Participating EU Member States, except Estonia, indicate an intention to implement the FTT by the end of June 2016. On 16 March 2016, Estonia completed the formalities required to leave the enhanced co-operation on FTT. On 17 June 2016, the Council of the European Union announced that the work on FTT will continue during the second half of 2016. The Council of the European Union discussed the state of the dossier in June 2017 and reiterated that further work at the Council and its preparatory bodies is still required, before a final agreement on this dossier can be reached.

The FTT proposal remains subject to negotiation between the Participating EU Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## GENERAL INFORMATION

### (1) Listing and Admission to Trading

The Central Bank of Ireland has approved this Base Prospectus as a base prospectus. Application has also been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Euronext Dublin Euronext Dublin's regulated market is a regulated market for the purposes of the Directive 2014/65/EU, as amended.

However, Notes may be issued pursuant to the Programme which will not be listed or admitted to trading on Euronext Dublin or any other stock exchange or trading venue or which will be listed or admitted to trading on such stock exchange or market or multilateral trading facility as the Issuers and the relevant Dealer(s) may agree.

The Central Bank of Ireland may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area member state: (i) a copy of this Base Prospectus; (ii) an Attestation Certificate.

### (2) Authorisations

Each Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in Ireland and the Republic of Italy in connection with the establishment and update of the Programme and the issue and performance of the Notes and the guarantee relating to them. The update of the Programme, including the giving of the Guarantee, was authorised by a resolution adopted by the Executive Committee of Mediobanca passed on 10 May 2023 and the decision (*determina*) assumed by the General Manager (*Direttore Generale*) of Mediobanca on 23 May 2023, and the resolution of the Board of Directors of Mediobanca International passed on 20 October 2022 and the resolution of the Board of Directors of MB Funding Lux SA dated 27 July 2023.

### (3) Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

### (4) Legal Proceedings

Save as disclosed in this Base Prospectus at page 1039 (*Legal and arbitration proceedings*), Mediobanca International (where Mediobanca International is the relevant Issuer) and MBFL (where MBFL is the relevant Issuer) are not and none of Mediobanca and its consolidated subsidiaries (where Mediobanca is the relevant Issuer or the Guarantor) is or has been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on the Mediobanca Group's financial position or profitability and, so far as Mediobanca or, as the case may be, Mediobanca International or MBFL are aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

### (5) Material Contracts

Neither Mediobanca nor Mediobanca International nor MBFL nor any of Mediobanca's subsidiaries has entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to such Issuer's ability to meet its obligations to Noteholders.

**(6) No material adverse and no significant change**

Since 30 June 2022 (being the last day of the financial period in respect of which the most recent audited annual financial statements of Mediobanca have been prepared) there has been no material adverse change in the prospects of Mediobanca or its subsidiaries.

Since 30 June 2022 (being the last day of the financial period in respect of which the most recent audited annual financial statements of Mediobanca have been prepared) there has been no material adverse change in the prospects of Mediobanca International.

Since 30 June 2022 (being the last day of the financial period in respect of which the most recent audited annual financial statements of MBFL have been prepared) there has been no material adverse change in the prospects of MBFL.

There have been no significant changes to the financial or trading position or to the financial performance of Mediobanca or the other companies forming part of the Group since the most recent un-audited financial information available was disclosed in the unaudited consolidated half-yearly financial statements as at 31 December 2022.

There have been no significant changes to the financial or trading position or to the financial performance of Mediobanca International since the most recent unaudited financial information available was disclosed in the non-consolidated half-year financial statements as at 31 December 2022.

There have been no significant changes to the financial or trading position or to the financial performance of MBFL since the most recent unaudited financial information available was disclosed in the non-consolidated half-year financial statements as at 31 December 2022.

**(7) Documents available for inspection**

For so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available in electronic form (unless the investor requests physical copies), and in the case of paragraphs (vii), (viii), (ix), (x), (xi), (xii) and (xiii) below, may be obtained free of charge during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and the Paying Agent:

- (i) the Issue and Paying Agency Agreement; a copy of the Issue and Paying Agency Agreement will be electronically available for viewing on the website: <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html>;

- (ii) the Deeds of Covenant; a copy of the Deeds of Covenant will be electronically available for viewing on the website: <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html>
- (iii) the Mediobanca International Deed of Guarantee; a copy of the Mediobanca International Deed of Guarantee will be electronically available for viewing on the Issuers' websites: <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html> (in respect of Mediobanca – Banca di Credito Finanziario S.p.A.) and <https://www.mediobancaint.lu/en/investor-documentation.html> (in respect of Mediobanca International (Luxembourg) S.A.);
- (iv) the Custody Agreement, the MBFL Deed of Guarantee, the Account Bank Agreement, the Programme Trust Deed; a copy of the Custody Agreement, the Account Bank Agreement and the Programme Trust Deed, will be electronically available for viewing on Mediobanca websites: <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html>;
- (v) the Programme Manual (being a manual signed for the purposes of identification by the Issuers and the Fiscal Agent, containing suggested forms and operating procedures for the Programme, including the forms of the Notes in global and definitive form); a copy of the Programme Manual will be electronically available for viewing on the website: <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html>;
- (vi) the By-laws (Statuto) of Mediobanca and articles of incorporation of Mediobanca International and MBFL; copy of the By-laws (Statuto) of Mediobanca and articles of incorporation of Mediobanca International and MBFL will be electronically available for viewing on the Issuers' websites: <https://www.mediobanca.com/en/corporate-governance/governance-reports-and-documents/documents.html> (in respect of Mediobanca – Banca di Credito Finanziario S.p.A.), <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html> (in respect of MBFL) and <https://www.mediobancaint.lu/en/index.html> (in respect of Mediobanca International (Luxembourg) S.A.);
- (vii) the published annual financial statements of Mediobanca International as at and for the years ended 30 June 2022 and 2021;
- (viii) the consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2022 and 2021;
- (ix) the unaudited consolidated interim financial report for the six months ended 31 December 2022 of Mediobanca;
- (x) the unaudited non-consolidated interim financial report for the six months ended 31 December 2022 of Mediobanca International;

- (xi) the audited non-consolidated annual financial statements of MBFL as at and for the years ended 30 June 2022 and 2021;
- (xii) Final Terms for Notes which are listed on Euronext Dublin or any other stock exchange or market;
- (xiii) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus;
- (xiv) the “*Mediobanca Green and Sustainable Bond Framework*”; and
- (xv) the Second-party Opinion.

A copy of this Base Prospectus will also be electronically available for viewing on Euronext Dublin's website ([www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin)).

In compliance with Article 21(3) of the Prospectus Regulation, a copy of this Base Prospectus along with the documents incorporated by reference in this Base Prospectus and any applicable supplement and final terms will be electronically available for viewing on Euronext Dublin website ([www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin)). For the avoidance of doubt, the “*Mediobanca Green and Sustainable Bond Framework*” and/or the Second-party Opinion are not incorporated in and/or does not form part of this Base Prospectus.

Physical copies of the latest annual consolidated financial statements of Mediobanca and annual financial statements of Mediobanca International, may be obtained upon request at the specified office of the Paying Agent during normal business hours, so long as any of the Notes are outstanding.

The Issuers do not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities, except if required by any applicable laws and regulations.

#### **(8) Clearing of the Notes**

The Notes have been accepted for clearance through Euroclear and Clearstream Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms. CREST Dematerialised Notes will be issued and held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof from time to time. Title to CREST Dematerialised Notes is recorded on the relevant operator register of eligible debt securities. The Operator is Euroclear UK & Ireland Limited.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L1855 Luxembourg. The address of Euronext Securities Milan is Piazza degli Affari 6, 20123 Milan, Italy.

#### **(9) The Legal Entity Identifier**

The Legal Entity Identifier (LEI) of Mediobanca is: PSQL19R2RXX5U3QWHI44.

The Legal Entity Identifier (LEI) of Mediobanca International is: 549300DV870NBWY5W279.

The Legal Entity Identifier (LEI) of MBFL is: 635400R5IHFIXBKVMS16.

The websites of the Issuers are, respectively: [www.mediobanca.it](http://www.mediobanca.it) (in respect of Mediobanca – Banca di Credito Finanziario S.p.A.) and [www.mediobancainit.lu](http://www.mediobancainit.lu) (in respect of Mediobanca International (Luxembourg) S.A.). For the avoidance of doubts, unless specifically incorporated by reference in this Base Prospectus, information contained on any website indicated herein does not form part of this Base Prospectus.

#### **(10) Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, Mediobanca and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Mediobanca or Mediobanca's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with Mediobanca routinely hedge their credit exposure to Mediobanca consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the term "affiliates" includes also parent companies.

#### **(11) Use of Base Prospectus**

With respect to Article 5 (1) of the Prospectus Regulation the Issuers consent, to the extent and under the conditions, if any, indicated in the Final Terms, to the use of the Base Prospectus as long as the Base Prospectus is valid in accordance with Article 12 of the Prospectus Regulation and accept responsibility for the content of the Base Prospectus also with respect to subsequent resale or final placement of the Notes by any Dealer and/or financial intermediary which was given consent to use the prospectus.

Such consent may be given to all (general consent) or only one or more (individual consent) specified Dealers and/or financial intermediaries and/or for a limited or indefinite period, as stated in the Final Terms, and for Italy, Ireland, Luxembourg and/or France (as indicated in the relevant Final Terms) as member states in which the Base Prospectus has been passported and which will be indicated in the relevant Final Terms.

Such consent by the Issuers is subject to each Dealer and/or financial intermediary complying with the terms and conditions described in this Base Prospectus and the relevant Final Terms as well as any applicable selling restrictions. The distribution of this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms as well as the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law.

Each Dealer and/or each financial intermediary, if any, and/or each person into whose possession this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms come are required to inform themselves about and observe any such restrictions. The Issuers reserve the right to withdraw its consent to the use of this Base Prospectus in relation to certain Dealers and/or each financial intermediary.

**In case of an offer being made by a Dealer or a financial intermediary, such Dealer or financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

**If the Final Terms state that the consent to use the Base Prospectus is given to all Dealers or financial intermediaries (general consent), any Dealer or financial intermediary using the Base Prospectus is required to state on its website that it uses the Base Prospectus in accordance with the consent and the conditions attached thereto.**

**If the Final Terms state that the consent to use the prospectus is given to one or more specified Dealers or financial intermediaries (individual consent), any new information with respect to Dealers or financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published on the website [www.mediobanca.com](http://www.mediobanca.com).**

**REGISTERED OFFICE**

**ISSUER AND GUARANTOR**

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.**

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20121 Milan  
Italy

**ISSUER**

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Grand Duchy of Luxembourg

**ISSUER**

**Mediobanca International (Luxembourg) S.A.**  
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Grand Duchy of Luxembourg

**ARRANGER**

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.**

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**DEALERS**

**MEDIOBANCA - Banca di Credito Finanziario S.p.A.**

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Grand Duchy of Luxembourg

**Ernst & Young, Société Anonyme**

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Grand Duchy of Luxembourg

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**EY S.p.A.**

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Italy



**FISCAL AGENT AND PAYING AGENT**

**BNP PARIBAS, Luxembourg Branch**

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L-1855 Luxembourg  
Grand Duchy of Luxembourg

**SECURITY TRUSTEE**

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NW16AA London  
United Kingdom

**LISTING AGENT**

**McCann FitzGerald Listing Services Limited**

Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
Ireland