

Base Programme Document dated 22 December 2021

CSI Financial Products Limited

*(incorporated as a BVI business company in, and under the laws of, the British Virgin Islands, having its registered office at 2/F Palm Grove House, P.O. Box 3340, Road Town, Tortola, British Virgin Islands, and the registration number 1809286)
(as the Issuer)*

U.S.\$15,000,000,000 Global Securities Programme

Under this U.S.\$15,000,000,000 Global Securities Programme (the “**Programme**”), CSI Financial Products Limited (the “**Issuer**”) may from time to time issue securities (the “**Securities**”) denominated in any currency determined by the Issuer on the terms set out in this Base Programme Document and the relevant Final Terms. If so specified in the relevant Final Terms, the obligations of the Issuer under a series of Securities may be supported by means of a guarantee (a “**Securities Guarantee**”) provided by CITIC Securities International Company Limited (中信証券國際有限公司) (the “**Securities Guarantor**”). A series of Securities to which the Securities Guarantee applies is a “**Guaranteed Series**”. The Securities Guarantee does not apply unless the relevant Final Terms of a particular series of Securities specify it applies to that series.

The maximum aggregate nominal amount of all Securities outstanding under the Programme from time to time will not exceed U.S.\$15,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to such increase as described herein.

The Securities may be issued on a continuing basis to CSI Global Markets Limited, CLSA (UK), CLSA Limited and any such other dealers as may be appointed under the Programme by the Issuer (each a “**Dealer**” and together the “**Dealers**”), and which appointment may be for a specific issue or on an ongoing basis. References in this Base Programme Document to the relevant Dealer shall, in the case of an issue of Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such issue of Securities.

Application has been made to The International Stock Exchange Authority Limited (the “Authority”) for any Securities which are agreed at the time of issue thereof to be so listed on the official list (the “Official List”) of The International Stock Exchange (the “Exchange”) (the “Listing”). The Securities may also be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems at the discretion of the Issuer.

For the purposes of any Securities which are agreed at the time of issue thereof to be listed on the Official List of the Exchange, the Listing Document will comprise this Base Programme Document, any supplementary base programme document(s) (together with this Base Programme Document, the “**Prospectus**”) and the relevant Final Terms which contain or will contain particulars given in compliance with the listing rules of the Authority for the purpose of giving information with regard to the relevant issue.

The Securities will be issued in registered form.

Neither the Issuer nor the Securities Guarantor (if applicable) is obliged to gross up any payments in respect of any Securities or shall 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, presentation or surrender for payment, or enforcement of any Securities, and all payments made by the Issuer or the Securities Guarantor (if applicable) shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

The Securities and any Securities Guarantee have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to, or for, the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”). Securities may be offered outside the United States to non-U.S. persons pursuant to Regulation S (see “Subscription and Sale” below). The Securities may be subject to U.S. tax law requirements.

The Securities and any Securities Guarantee 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 has any of the foregoing authorities passed upon or endorsed the merits of the offering of Securities or the accuracy or the adequacy of this Base Programme Document. Any representation to the contrary is a criminal offence in the United States.

The Securities are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, 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: (i) a retail client as defined

in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), 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"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prospective purchasers of the Securities should ensure that they understand the nature of the relevant Securities and the extent of their risk exposure and that they consider the suitability of the relevant Securities as an investment in light of their own circumstances and financial condition. Certain issues of Securities involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers of the Securities to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Securities and that they are not relying on the advice of the Issuer, the Securities Guarantor (if applicable), any Dealer, Fiscal Agent, Calculation Agent, Issuing and Paying Agent, CMU Lodging and Paying Agent, Transfer Agent or Registrar in that regard. See "Risk Factors relating to the Securities" on page 5.

The Securities Guarantor is to act as a conduit for CITIC Securities Company Limited to spearhead its expansion into global financial markets. There is no published external rating with respect to the Securities Guarantor. As at the date of this Base Programme Document, CITIC Securities Company Limited has a long-term corporate credit rating of "BBB+" and a short-term corporate credit rating of "A-2" with no negative implications by Standard & Poor's Ratings Services ("S&P"). These ratings do not constitute a recommendation to buy, sell or hold the Securities and may be subject to suspension, reduction or withdrawal at any time by S&P.

The Issuer may issue Securities in a form not contemplated by the terms and conditions of the Securities herein, in which event the relevant Final Terms will set out the terms and conditions of such Securities.

PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities 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: (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 (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**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Securities 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 (and, for the avoidance of doubt, this means any retail investor within or outside the United Kingdom (the “**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 “retained EU law”, as defined in 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 “retained EU law”, as defined in the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of “retained EU law”, as defined in the EUWA.

No key information document required by Regulation (EU) No 1286/2014 as it forms part of “retained EU law”, as defined in the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities 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 Securities may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any distributor should take into consideration the manufacturers’ 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 Securities (by either adopting or refining the manufacturers’ 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 MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise none of any Dealer or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The contents of this document have not been reviewed or approved or disapproved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Subject as set out below, the Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained or incorporated in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Securities Guarantor (if applicable) accepts responsibility for the information in relation to itself only contained in this document. To the best of the knowledge and belief of the Securities Guarantor (if applicable) (who has taken all reasonable care to ensure that such is the case), the information contained or incorporated in this document in relation to the Securities Guarantor (if applicable) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless otherwise expressly stated in a Final Terms, any information contained in the relevant Final Terms relating to any underlying equity security, equity index, interest rate, creditworthiness of one or more entities or other item(s) (each an “**Underlying Asset**”), to which the relevant Securities relate will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor of such Underlying Asset. The Issuer will, unless otherwise expressly stated in the relevant Final Terms, accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) but the Issuer will not accept any further or other responsibility in respect of the accuracy or completeness of such information.

This Base Programme Document is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. This Base Programme Document shall be read and construed on the basis that such documents are incorporated and form part of this Base Programme Document.

None of any Dealer, Fiscal Agent, Calculation Agent, Issuing and Paying Agent, CMU Lodging and Paying Agent, Transfer Agent, Registrar or the Securities Guarantor (if applicable) has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer, Fiscal Agent, Issuing and Paying Agent, Calculation Agent, CMU Lodging and Paying Agent, Transfer Agent, Registrar or the Securities Guarantor (if applicable) as to the accuracy or completeness of the information contained or incorporated in this Base Programme Document or any other information provided by the Issuer in connection with the Programme or the Securities.

No person is or has been authorised by the Issuer or the Securities Guarantor (if applicable) to give any information or to make any representation not contained in or not consistent with this Base Programme Document or any other information supplied in connection with the Programme or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Securities Guarantor (if applicable), any Dealer, Fiscal Agent, Calculation Agent, Issuing and Paying Agent, CMU Lodging and Paying Agent, Transfer Agent or the Registrar.

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

Neither the delivery of this Base Programme Document nor the offering, sale or delivery of any Securities shall in any circumstances imply that there has been no change in the affairs of the Issuer or the Securities Guarantor (if applicable) since the date hereof or upon the date upon which this Base Programme Document has been most recently amended or supplemented or the information contained herein concerning the Issuer and the Securities Guarantor (if applicable) is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the issue of any Securities is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Programme Document when deciding whether or not to purchase any Securities. The Issuer and the Securities Guarantor (if applicable) undertake no obligation to update any information contained herein to reflect any changes in the expectations with respect thereto after the date of this Base Programme Document or to reflect any change in events, conditions or circumstances on which such information is based.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Securities, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that (i) Securities which are Fixed Rate Securities, Floating Rate Securities or Zero Coupon Securities which are not subject to any Asset Terms and Conditions are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the

Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products); and (ii) Securities (other than Fixed Rate Securities, Floating Rate Securities or Zero Coupon Securities which are not subject to any Asset Terms and Conditions) are not ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

This Base Programme Document does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Programme Document and the offer or sale of Securities may be restricted by law in certain jurisdictions. None of the Issuer or any Dealer represents that this Base Programme Document may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or any Dealer which would permit a public offering of any Securities or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Base Programme Document 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 Programme Document or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Programme Document and the offering and sale of Securities. See “Subscription and Sale” below.

The Securities of each issue may be sold by the Issuer and/or any Dealer at such times and at such prices as the Issuer and/or the Dealer(s) may select. There is no obligation on the Issuer or any Dealer to sell all of the Securities of a series. The Securities may be offered or sold from time to time in one or more transactions, in the over-the-counter market at prevailing market prices or in negotiated transactions, at the discretion of the Issuer and/or the Dealer(s). No representation or warranty or other assurance is given as to the number of Securities of a series issued or outstanding at any time.

These securities are only intended to be offered in the primary market to, and held by, investors who are particularly knowledgeable in investment matters.

Neither the Listing nor the approval of this Base Programme Document by the Authority shall constitute a warranty or representation by the Authority as to the competence of the service providers to, or any other party connected with, the Issuer, the adequacy and accuracy of information contained in this Base Programme Document or the suitability of the Issuer for investment or for any other purposes.

Ogier Corporate Finance Limited is acting for the Issuer and for no one else in connection with the Listing and will not be responsible to anyone other than the Issuer.

The Prospectus may be used in conjunction with the listing of not more than U.S.\$15,000,000,000 Securities.

All references in this document to “U.S. dollars”, “U.S.\$” and “\$” refer to the lawful currency of the United States, “HKD” and “HK\$” refer to the lawful currency of Hong Kong, and “Renminbi” and “RMB” refer to the lawful currency of The People’s Republic of China (“PRC”) (excluding Hong Kong, Macau and Taiwan). References to “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

BENCHMARK REGULATION: Interest, redemption amounts and/or other amounts payable under the Securities may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the “**Benchmark Regulation**”). If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to Article 36 of the Benchmark Regulation. Not every reference rate will fall within scope of the Benchmark Regulation. Transitional provisions in the Benchmark 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 relevant Final Terms (or, if located outside the European Union, recognition, endorsement or equivalence). The

registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, the Prospectus:

- (i) the most recently published audited annual financial statements of CITIC Securities Company Limited;
and
- (ii) all amendments and supplements to this Base Programme Document prepared by the Issuer from time to time (provided that any supplements related to a specific series of Securities shall not apply to any other Securities and amendments made in the Prospectus shall not affect the Securities issued before the date of the relevant amendments).

RISK FACTORS RELATING TO THE SECURITIES

Investments in the Securities may involve substantial risks and be 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 Securities. Prior to making an investment decision, prospective purchasers should consider carefully, in light of their own financial circumstances and investment objectives, (i) all the information set forth in this Base Programme Document and, in particular, the considerations set forth below and (ii) all the information set forth in the relevant Final Terms. Prospective purchasers should make such inquiries as they deem necessary without relying on the Issuer or any Dealer.

An investment in Securities linked to one or more Underlying Asset(s) may entail significant risks not associated with investments in a conventional debt security, including but not limited to, the risks set out below. The amount paid by the Issuer on redemption of the Securities may be less than the nominal amount of the Securities, together with any accrued interest, and may in certain circumstances be zero. Where the Securities are redeemed by the Issuer by delivery of Underlying Asset(s), the value of the Underlying Asset(s) may be less than the nominal amount of the Securities, together with any accrued interest, and may in certain circumstances be zero.

Terms used in this section and not otherwise defined shall have the meanings given to them in “General Terms and Conditions of the Securities”.

Risks relating to the Issuer and the Securities Guarantor

Creditworthiness of the Issuer and the Securities Guarantor

The Securities constitute direct and unsecured obligations of the Issuer. For a Guaranteed Series only, the Securities Guarantee constitutes direct and unsecured obligations of the Securities Guarantor. Save for such exceptions as may be provided by applicable legislation, the obligations of the Issuer under the Securities and (for a Guaranteed Series only) the obligations of the Guarantor under the Securities Guarantee shall at all times rank at least equally with all other unsecured and unsubordinated obligations of each of the Issuer and (for a Guaranteed Series only) the Securities Guarantor respectively, present and future. The holders of Securities will be exposed to the general credit risk of the Issuer and (for a Guaranteed Series only) the Securities Guarantor, including the risk that the Issuer and/or (for a Guaranteed Series only) the Securities Guarantor becomes insolvent or defaults on their obligations (including payment obligations) under the Securities and/or (for a Guaranteed Series only) the Securities Guarantee, in which case the holders of Securities can only claim as unsecured creditors of the Issuer and/or (for a Guaranteed Series only) the Securities Guarantor respectively.

The Securities are not collateralised and are not secured on any of the assets or collateral of the Issuer or (for a Guaranteed Series only) the Securities Guarantor. The Issuer has minimal assets and share capital. For a Guaranteed Series only, the holders of Securities are, in effect, relying only on the creditworthiness of the Guarantor and no one else in their investment of the Securities.

Not all Securities have the benefit of the Securities Guarantee. Investors must read the relevant Final Terms to ascertain whether a particular series is guaranteed.

Ratings assigned to the Securities Guarantor

The Securities Guarantor has a long-term corporate credit rating of “BBB+” and a short-term corporate credit rating of “A-2” with no negative implications by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. The Securities Guarantor cannot assure investors that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. Neither the Issuer nor the Securities Guarantor has any obligation to inform holders of the Securities of any such revision, downgrade, suspension or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Securities Guarantor may adversely affect the market price of the Securities.

Conflicts of interest

The Issuer, the Securities Guarantor (if applicable) and their subsidiaries and affiliates may, at the date hereof or at any time hereafter, be in possession of information in relation to an Underlying Asset that is or may be material in the context of the Securities and may or may not be publicly available to holders of Securities. There is no obligation on the Issuer, the Securities Guarantor (if applicable) or any of their subsidiaries and affiliates to disclose to holders of Securities any such information, even where such information may be material to the decision by an investor as to whether or not to purchase the Securities.

The Issuer, the Securities Guarantor (if applicable) and their subsidiaries and affiliates may also engage in transactions involving any of the issuers of the securities or reference entities to which payments under a series of Securities may be linked, for their proprietary accounts and/or for accounts under their management and/or to hedge against the market risks associated with the Securities. These transactions may adversely affect the value, performance or creditworthiness of such issuers, their securities or the reference entities, and therefore the value of, and the amount of payments under, the Securities.

Each of the Issuer, the Securities Guarantor (if applicable), the Dealer(s) or any of their respective affiliates may have existing or future business relationships with each other (including, but not limited to, lending, depository, derivative counterparty, risk management, advisory and banking relationships), and may pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a holder of Securities. The Issuer, the Securities Guarantor (if applicable) and their affiliates act in a number of capacities under the Programme, and may act in other capacities for each series of Securities (such as acting as the Calculation Agent, Issuing and Paying Agent, Transfer Agent and/or Registrar). Potential conflicts of interest may arise in relation to these roles, as they may be performed in a way that may be adverse to investors' interests.

The Issuer, the Securities Guarantor (if applicable), any Dealer and their subsidiaries and affiliates owe no duty to the holders of Securities to avoid the above conflicts or disclose them. If any of the above activities adversely affect the Securities, the Issuer, the Securities Guarantor (if applicable) and their subsidiaries and affiliates are not responsible for any losses.

Risks associated with hedging activities

In the ordinary course of its business, including without limitation in connection with its market-making activities, the Issuer, the Securities Guarantor (if applicable) or any of their subsidiaries and affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the Underlying Asset(s) or related derivatives. In addition, in connection with the offering of the Securities, the Issuer, the Securities Guarantor (if applicable) or any of their subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Asset(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Securities Guarantor (if applicable) or any of their subsidiaries and affiliates, the Issuer, the Securities Guarantor (if applicable) or any of their subsidiaries and affiliates may enter into transactions in the Underlying Asset(s) or related derivatives which may affect the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interests of the relevant holders of Securities.

Upon the redemption of Securities (other than on the Maturity Date), the Issuer, the Securities Guarantor (if applicable) or their subsidiaries and affiliates may be required to unwind, terminate, liquidate, adjust, obtain, replace or re-establish such hedging or market-making activities, resulting in a gain to, or losses and costs incurred by, the Issuer, the Securities Guarantor (if applicable) or any of their subsidiaries and affiliates. A holder of Securities may receive an amount from the Issuer and/or the Securities Guarantor (if applicable) in respect of such gain, or, as the case may be, be required to make a payment to the Issuer and/or the Securities Guarantor (if applicable) in respect of such losses or costs. In this event, on redemption of the Securities, any amount that would otherwise be received by the holder of Securities in the case of cash settlement of the Securities will be adjusted accordingly.

Operational risk

Operational risk is inherent in the Issuer's business and can manifest itself in various ways, including business interruption, poor vendor performance or default (including under significant outsourcing arrangements), information systems malfunctions or failures, hacking incidence and/or other unauthorised intrusions into its websites and/or information systems, regulatory breaches, human errors, employee misconduct, and external fraud. The Issuer also faces the risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses or other financial intermediaries it uses to facilitate its securities transactions.

These events can potentially result in financial loss, impairment to its liquidity, a disruption to its businesses, regulatory sanctions or damage to its reputation. Management attempts to control these risks and keep operational risk at low levels by maintaining a sound and well controlled environment in light of the characteristics of its business, markets and regulatory environment in which it operates. Notwithstanding these measures, operational risk is part of the business environment in which it operates and it may incur losses from time to time due to these types of risks.

Risks relating to the Securities

Securities are unsecured obligations

Securities are unsubordinated and unsecured obligations of the Issuer and will rank pari passu with themselves.

In respect of Guaranteed Series, the Securities Guarantee will constitute direct, unsubordinated and unsecured obligations of the Securities Guarantor and will rank pari passu among themselves.

Limited liquidity

There can be no assurance as to how any Securities will trade in the secondary market or whether such market will be liquid or illiquid. No assurance can be given that there will be a market for any Securities. If the Securities are not traded on any stock exchange, pricing information for such Securities may be more difficult to obtain, and the liquidity and market prices of such Securities may be adversely affected.

If holders of Securities try to sell their Securities before maturity, there may only be a few or no potential buyers of the Securities in the market. holders of Securities therefore may not be able to sell their Securities at all. Even if there are potential buyers, holders of Securities may receive an offer which may be less than the amount they invested or what they believe to be the fair value of the Securities.

The Issuer may, but is not obliged to, provide limited secondary market for the Securities. There may be no secondary market at all and holders of Securities may not be able to sell the Securities.

Market value of Securities may be highly volatile

The market value of the Securities will be affected by a number of factors independent of the creditworthiness of the Issuer and in respect of Guaranteed Series only, the Securities Guarantor, including but not limited to:

- (i) the value and volatility of the Underlying Asset(s);
- (ii) where the Underlying Asset(s) is/are equity securities, the dividend rate on the Underlying Asset(s) and the financial results and prospects of the issuer of each Underlying Asset;
- (iii) market interest and yield rates;
- (iv) fluctuations in exchange rates;
- (v) liquidity of the Securities or any Underlying Asset in the secondary market;
- (vi) the time remaining to any redemption date or the maturity date;
- (vii) hedging activities engaged by the Issuer that could adversely affect the value of the Underlying Asset(s); and/or

- (viii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Underlying Asset may be traded.

The value of the Securities at redemption may be less, and can be substantially less, than the amount of the original investment. In extreme circumstances, investors may lose all of their initial investment. The price at which a holder of Securities will be able to sell any Securities prior to maturity may be at a discount, which could be substantial, to the market value of such Securities on the issue date, if, at such time, the market price of the Underlying Asset(s) is below, equal to or not sufficiently above the market price of the Underlying Asset(s) on the issue date. The historical market prices of any Underlying Asset should not be taken as an indication of such Underlying Asset's future performance during the term of any Securities.

No rights of ownership in an Underlying Asset

Investors should be aware that an Underlying Asset will not be held by the Issuer for the benefit of the holders of Securities and, as such, holders of Securities will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Underlying Asset referenced by such Securities.

The Securities do not represent a claim against any Underlying Asset (or any issuer, sponsor, manager or other connected person in respect of an Underlying Asset) and holders of Securities will not have any right of recourse under the Securities to any such Underlying Asset (or any issuer, sponsor, manager or other connected person in respect of an Underlying Asset).

Currency risk

The Issuer pays principal and interest on the Securities in the currency in which the Securities are denominated which may present risks if the holder of Securities' financial activities are denominated principally in another currency, as exchange rates may significantly change over the tenor of the Securities. In addition, government and monetary authorities may impose exchange controls or devalue or change currencies (as some have done in the past) in a manner that could adversely affect the market value of the Securities.

In particular, Securities denominated in Renminbi are subject to additional risks. Renminbi is not freely convertible or transferable and, currently, there are restrictions on remittance of Renminbi into and outside the PRC, which may affect the liquidity of such Securities and the ability of the Issuer to source sufficient Renminbi outside the PRC to settle such Securities. If the Issuer is unable to source sufficient Renminbi, it may pay holders of such Securities in U.S dollars or Alternate Currency (converted at the Alternate Settlement Rate determined by the Calculation Agent as of a time selected in good faith by the Calculation Agent). Please refer to "Risks related to Renminbi Denominated Securities" below.

Interest rate risk

Where Securities bear interest at a fixed rate, subsequent changes in market interest rates may adversely affect the value of the Securities.

Where interest on Securities is subject to floating rates of interest that will change subject to changes in market conditions, such changes could adversely affect the rate of interest received on the Securities.

Settlement delay

The ability of the Issuer to effect electronic payment or settlement in connection with the Securities or the Underlying Assets (as the case may be) may be restricted (if, for example, the relevant settlement or clearing system or delivery mechanism is not operating or is disrupted). This could result in delays in payment or settlement in connection with the Securities or the Underlying Assets. Where such delay occurs, the holders of Securities are not entitled to any interest payment.

Reliance on Clearing Agent

Securities may be represented by one or more Global Certificates. Such Global Certificates will be held by or on behalf of the Clearing Agent. Apart from the circumstances described in the relevant Global Certificate, investors will not be entitled to Securities in definitive form. The Clearing Agent will maintain records of the beneficial interests in the Global Certificates. While the Securities are represented by one or more Global Certificates, the Issuer and the Securities Guarantor (if applicable) will discharge its payment obligations under the Securities by making payments to the Clearing Agent for distribution to their relevant accountholders. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the Clearing Agent to receive payments under the relevant Securities. The Issuer and the Securities Guarantor (if applicable) have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates.

Emerging markets risks

An Underlying Asset may include an exposure to emerging markets. Emerging markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development state or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, regulatory/legal risk and trade settlement, processing and clearing risks. Investors should note that the risk of occurrence and the severity of the consequences of such risks may be greater than they would otherwise be in relation to more developed countries.

Tax

Prospective purchasers of Securities should take note of the information set out in the section headed "General Taxation Information" of this Base Programme Document. Prospective purchasers should conduct such independent investigation and analysis regarding the tax treatment of the Securities as they deem appropriate to evaluate the merits and risks of an investment in the Securities. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments in respect of the Securities. The level and basis of taxation on the Securities and on the holders of Securities and any reliefs from such taxation depend on the holder of Securities' individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for holders of Securities. Prospective purchasers of Securities will therefore need to consult their own tax advisers to determine the specific tax consequences of the purchase, ownership, transfer and redemption, exercise or expiry or enforcement of the Securities.

In addition, as the value of the Securities is linked to the performance of the Underlying Assets, if the payments to the holder of the relevant Underlying Assets made by the issuer of such Underlying Assets are subject to any tax, the value of the Securities at redemption may be may be adversely affected.

No gross up of payments by the Issuer or the Securities Guarantor (if applicable)

Neither the Issuer nor the Securities Guarantor (if applicable) is obliged to gross up or otherwise increase any payment made in respect of any Securities where such payment is subject to any tax, duty, deduction, withholding or other payment. Therefore, should any such tax, duty, deduction, withholding or other payment be or become applicable to any such payment by the Issuer or the Securities Guarantor (if applicable) in respect of any Securities, neither the Issuer nor the Securities Guarantor (if applicable) shall be liable for or otherwise or obliged to pay any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted, and the actual amount received by the holder of Securities may be less than it would have been in the absence of such tax, duty, deduction, withholding or other payment and the holder of Securities may not be able to recover any amount or credit in respect of such tax, duty, deduction, withholding or other payment.

Potential withholding tax imposed pursuant to FATCA

Please refer to the paragraph titled “Potential withholding tax imposed pursuant to FATCA” in General Taxation Information at page 164 below.

Regulatory risk

The legal and regulatory regime is subject to change in ways that could affect the ability of the Issuer’s obligations in respect of any underlying or hedging transactions in relation to the Securities. As agreed by the Group of Twenty Nations, the authorities around the world are implementing legislative and regulatory changes to reduce systemic risk and volatility relating to derivatives trading, such as central clearing for certain classes of over-the-counter derivatives, reporting to trade repositories, and application of organisational, conduct of business and prudential requirements for central counterparties. Such changes to the legal and regulatory regime may adversely impact the Issuer’s obligations in respect of any underlying or hedging transactions in relation to the Securities, or may make it unlawful or unfeasible in whole or in part for any reason for it to access the relevant markets for the purpose of managing market risk. This, in turn, may lead to adjustment to or early redemption of the Securities. Investors should note that in the event that there is an early redemption of the Securities, any early payment amount may be less than the investors’ initial investment, and could even be zero.

Interpretation and enforcement of the laws in the PRC may involve uncertainties

From time to time, there may be governmental agencies requesting the registration or filing of certain debt with such agencies. There may be uncertainty in terms of the interpretation and implementation of such requests. If the Securities are determined by such a governmental agency to fall within the scope of debt that are subject to such registration requirement and the Issuer fails to do so, investors’ investment in such Securities may be adversely affected and/or the Issuer or its affiliates may be subject to administrative fines or penalties or other negative consequences which could materially and adversely affect the brand name and reputation and the business, financial condition and results of operations of the Issuer and the Securities Guarantor.

Suitability of investment

This Base Programme Document identifies in a general way, some of the information that a prospective purchaser should consider prior to making an investment in the Securities. However, this Base Programme Document does not purport to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in the Securities. Therefore, a prospective purchaser should conduct its own thorough analysis (including its own financial, accounting, legal and tax analysis) prior to deciding whether to invest in the Securities. Any evaluation of whether an investment in the Securities is suitable depends upon a prospective purchaser’s particular financial and other circumstances, as well as on the specific terms of the Securities. This Base Programme Document is not, and does not purport to be, investment advice. A prospective purchaser should make an investment in the Securities only after it has determined that such investment is suitable for its financial investment objectives. Determining whether an investment in the Securities is suitable is a prospective purchaser’s responsibility. If a prospective purchaser does not have experience in financial, legal, business and investment matters sufficient to permit it to make such a determination, the prospective purchaser should consult with its financial, tax, legal and/or accounting advisers, prior to deciding to make an investment in the Securities.

Risks related to the structure of a particular issue of Securities

Adjustments, early redemption or cancellation of Securities

In certain circumstances, the Issuer may make adjustments to the terms of the Securities (including substituting an Underlying Asset) or redeem or cancel them at their Early Payment Amount as determined by it without the consent of the holders of Securities. Such Early Payment Amount may be less than the issue price of the Securities and could be as low as zero.

Adjustment or alternative provisions for valuation of an Underlying Asset

If the Issuer determines that any form of disruption event in relation to an Underlying Asset (such as a Market Disruption Event for equity-linked Securities, equity index-linked Securities and fund-linked Securities) has occurred which affects the valuation of such Underlying Asset, the Issuer may apply any consequential

adjustment of, or any alternative provisions for, valuation of such Underlying Asset provided in the terms and conditions of the Securities, including a postponement in the valuation of such Underlying Asset and/or a determination of the value of such Underlying Asset by the Issuer in its discretion, acting in good faith and in a commercially reasonable manner, each of which may have an adverse effect on the value of the Securities.

Non-principal protected securities

Unless the Securities are specifically stated as principal protected, the Securities are not principal protected. If the relevant Securities are non-principal protected, investors should note that they may lose all or part of their investment in such Securities. Investment in such Securities is speculative and involves significant risk, including the possible loss of the entire amount invested. Investors should therefore only invest in such Securities if they can afford a loss of their entire investment.

Risk of leveraged exposure

Certain Securities may be “leveraged” by way of using a number of financial techniques to increase investors’ exposure to an Underlying Asset, and can therefore magnify both returns and losses for investors. While the use of leverage allows for potential multiples of return (assuming a return is achieved) when the Underlying Asset moves in the investors’ anticipated direction, it will conversely magnify losses when the Underlying Asset moves against the investors’ expectations. If the relevant Securities include leverage, investors should note that these Securities will involve a higher level of risk, and that whenever there are losses such losses will be higher (assuming other things being equal) than those of a similar Security which is not leveraged. Investors should therefore only invest in “leveraged” Securities if they fully understand the effect of leverage.

Exchange rate risk

There may be an exchange rate risk in respect of Securities where the amount payable is converted from one currency to another. Fluctuation in foreign exchange rates, foreign political and economic developments or so may affect investors’ investment return on the Securities.

Risks related to Renminbi Denominated Securities

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the People’s Bank of China (“**PBOC**”) has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the “**Renminbi Clearing Banks**”), including but not limited to Hong Kong and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the “**Settlement Arrangements**”), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi denominated Securities (the “**Renminbi Securities**”). To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Securities, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Securities

Renminbi is not freely convertible at present. The PRC Government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the government of the PRC (the “**PRC Government**”) in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are being developed.

Although since 1 October 2016 Renminbi has been included in the basket of currencies that make up the Special Drawing Right (SDR) created by the International Monetary Fund (IMF), there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Securities denominated in Renminbi.

Investment in the Renminbi Securities is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. Recently, the PBOC implemented changes to the way it calculates the Renminbi’s daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily midpoint. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Securities unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Securities in that foreign currency will decline.

Payments in respect of the Renminbi Securities may be made only in the manner specified in the Renminbi Securities

All payments to investors in respect of the Renminbi Securities will be made solely (i) for so long as the Renminbi Securities are represented by global certificates held with the common depository for Clearstream, Luxembourg and Euroclear or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Final Terms, (ii) for so long as the Renminbi Securities are represented by global certificates lodged with a sub-custodian for or registered with the CMU Service, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures or (iii) for so long as the Renminbi Securities are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Final Terms in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Risks related to investments in the PRC securities market and derivative instruments relating thereto

The PRC capital market is still at a premature stage. Regulation of the PRC capital market is heavily influenced by government policies and is less transparent and less efficient than the regulation of developed capital markets. There still remain allegations of and convictions for malpractices such as market manipulation and insider trading. The stock price of a PRC listed company may not therefore reasonably reflect its intrinsic value. In

addition, the disclosure of information by a PRC company with respect to its financial status may not always be complete and reliable. If the stock price of a PRC listed company does not reasonably reflect its intrinsic value, such pricing inaccuracy will be passed through to derivative instruments such as the Securities. In addition, the revised PRC Securities Law (promulgated on 28 December 2019 and effective as of 1 March 2020) governing the PRC securities market provides that, offshore offering and trading activities of domestic securities, if determined to be disrupting the domestic market order or being detrimental to any legal rights and interests of domestic investors, may also be subject to the provisions and liabilities under the PRC Securities Law. This gives relevant PRC authorities extra-territorial jurisdiction which was not in the previous versions of the PRC Securities Law.

Gains from the Securities may become subject to income taxes under PRC tax laws.

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of the Securities by a non-PRC resident enterprise or individual holders may be subject to PRC enterprise income tax (“EIT”) or PRC individual income tax (“IIT”) if such gain is income derived from sources within the PRC. However, uncertainty remains as to whether the gain realised from the transfer of the Securities by a non-PRC resident enterprise or individual holders would be treated as income derived from sources within the PRC and be subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong for the avoidance of double taxation, holders of Securities who are residents of Hong Kong, including enterprise holders and individual holders, will not be subject to the PRC EIT or IIT on capital gains derived from a sale or exchange of the Securities.

If a non-PRC resident enterprise or individual resident holders are required to pay PRC income tax on gains derived from the Securities (such EIT is currently levied at the rate of 10 per cent. of gains realised and such IIT is currently levied at the rate of 20 per cent. of gains realised (with deduction of reasonable expenses), unless there is an applicable tax treaty between the PRC and the jurisdiction in which such non-PRC resident enterprise or individual resident holders of the Securities reside that reduces or exempts the relevant EIT or IIT), the value of their investment in the Securities may be materially and adversely affected.

Risks associated with Securities that are linked to a particular type of Underlying Asset

Risks associated with Shares

(i) *Factors affecting the performance of Shares may adversely affect the value of Securities*

The performance of Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as creditworthiness of the Share Issuer, earnings position, market position, risk situation, shareholder structure and distribution policy, which may in turn adversely affect the value of the Securities.

(ii) *Actions by the Share Issuer may adversely affect the Securities*

The Share Issuer will have no involvement in the offer and sale of the Securities and will have no obligation to any purchaser of such Securities. The Share Issuer may take any actions in respect of such Share without regard to the interests of the purchasers of the Securities, and any of these actions could adversely affect the market value of the Securities.

(iii) *Determinations made by the Issuer in respect of Potential Adjustment Events, Extraordinary Events and Additional Disruption Event may have an adverse effect on the value of the Securities*

Upon determining that a Potential Adjustment Event, an Extraordinary Event or an Additional Disruption Event has occurred in relation to a Share or Share Issuer, the Issuer has discretion to make certain determinations to account for such event including to (1) make adjustments to the terms of the Securities, and/or (2) (in the case of an Extraordinary Event or an Additional Disruption Event) cause

an early redemption of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

(iv) *Risks related to the Securities linked to shares listed on PRC stock exchanges that are not China Connect Shares*

A Qualified Investor (whether the Issuer, an Affiliate thereof or a third party counterparty who has entered into a hedging arrangement to hedge the Issuer's obligations in respect of the Securities) may obtain exposure to shares listed on PRC stock exchanges through the Qualified Foreign Investor ("QFI") regime.

Where this is the case, it should be noted that on 7 May 2020, the People's Bank of China ("PBOC") and the State Administration for Foreign Exchange ("SAFE") issued the Administrative Provisions on Funds Used by Foreign Institutional Investors for Domestic Securities and Futures Investment, which sets out the registration requirements on inward/outward remittance and exchange of cross-border funds by QFIs and improved the requirements on the management of foreign exchange risks and investment risks emerging in domestic securities investment made by QFIs. There are regulatory uncertainties as to whether issuing or providing hedging arrangements for market access products is regarded as being in compliance with the relevant rules relating to the QFI regime. In addition, the China Securities Regulatory Commission and SAFE may implement further measures from time to time.

(v) *Risks related to the Securities linked to China Connect Shares*

The Issuer may enter into certain hedging arrangements to obtain exposure to A shares through the China Connect Service. The China Connect Service is a securities trading and clearing programme which is being developed and which currently envisages the Hong Kong Stock Exchange providing order-routing and related services for certain securities traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, and the China Clearance System Operator and Hong Kong Securities Clearing Company Limited providing clearing, settlement, depository and related services in relation to such securities. Unlike an investment through the QFI regime, a person purchasing A shares through the China Connect Service need not be approved as a QFI. Nonetheless, trading through the China Connect Service is subject to a number of restrictions, including pre-trade checking requirements and daily quotas that apply to Northbound trading through the China Connect Service. The China Connect Service may also be disrupted or terminated. In addition, the China Connect Service is in its initial stages and, accordingly, further developments are likely.

(vi) *Risks related to ChiNext Shares*

Any exposure to ChiNext Shares involves a high investment risk. In particular, profitability and other financial requirements for listing of shares on the ChiNext Board are less stringent than the Main Board and the SME Board of the Shenzhen Stock Exchange. A decision to invest in the Securities linked to ChiNext Shares should be made only after due and careful consideration.

Companies listed on the ChiNext Board may include enterprises in the innovation and technology sector, as well as other start-up and/or growth enterprises with a smaller operating scale and share capital. Stock prices may also be more susceptible to manipulation due to fewer circulating shares. Accordingly, the ChiNext Shares may be very volatile and illiquid. In addition, current information on such companies may be limited and may not be widely available.

It may be more common and easier for companies listed on the ChiNext Board to be delisted. The ChiNext Shares may become very illiquid after delisting.

In light of the above, investment in the Securities linked to ChiNext Shares may involve significant risk of loss.

With respect to Certificates relating to ETF(s), references to "Share(s)" or "share(s)" in the paragraph titled "Risks associated with Shares" shall be construed as references to Unit(s) or unit(s) in relation to ETF Interests and references to "Share Issuer" shall be construed as references to the Fund.

(vi) *Risks related to shares listed on the SSE STAR Market*

Investors should note that any investment in the Securities linked to shares on the Sci-Tech Innovation Board (the “**STAR Market**”) of Shanghai Stock Exchange (the “**SSE**”) (the “**STAR Shares**”) involves a high investment risk as STAR Shares may be more volatile and less liquid as compared to shares listed on the Main Board of SSE.

The eligibility requirements for listing of shares on STAR Market are less stringent than the Main Board of SSE. For instance, enterprises to be listed on the STAR Market are not required to be profitable for the three consecutive financial years immediately prior to their initial public offerings. These enterprises are usually involved in technology and innovation sector which are subject to significant uncertainties and risks in terms of financial performance. Red-chip enterprises with a VIE (variable interest entity) structure which were incorporated in an offshore jurisdiction and subject to different legal and regulatory framework may also be eligible to be listed on the STAR Market. In addition, due to the different trading rules applicable to STAR Market and Main Board of SSE respectively, the STAR Shares are subject to a higher volatility in the trading prices and a higher possibility to be delisted comparing to the shares listed on Main Board. The conditions for temporary trading suspensions during the trading hours and supervision on significant abnormal fluctuation of stock prices are also different between STAR Market and Main Board. Furthermore, enterprises listed on the STAR Market are allowed to have weighted voting rights arrangement and more flexible equity incentive schemes comparing to those listed on Main Board.

The above factors may affect the liquidity and value of relevant STAR Shares and the Securities linked to such STAR Shares. Given that the STAR Market is at an early stage of its development, applicable laws, regulations and rules are likely to be subject to future amendments which may bring further uncertainties and impacts to the relevant investment activities.

Risks associated with Equity Indices

- (i) *Factors affecting the performance of Indices may adversely affect the value of the Securities*

Indices are comprised of a synthetic portfolio of shares or other assets, and as such, the performance of an Index is dependent upon the macroeconomic factors relating to the shares or other Components that comprise such Index, which may include interest and price levels on the capital markets, currency developments, political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. These factors may in turn adversely affect the value of the Securities.

- (ii) *Returns on Securities will not be the same as a direct investment in futures or option on the Index or in the underlying Components of the Index*

An investment in the Securities is not the same as a direct investment in futures or option contracts on any or all of the Indices nor any or all of the constituents comprised in each Index. In particular, investors will not benefit directly from any positive movements in any Index nor will investors benefit from any profits made as a direct result of an investment in each Index. Accordingly, changes in the performance of any Index may not result in comparable changes in the market value of the Securities.

- (iii) *A change in the composition or discontinuance of an Index could have a negative impact on the value of the Securities*

The sponsor of an 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 the Components of an 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 adversely affect the value of the Securities. The sponsor of an Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Securities and will have no obligation to any investor in such Securities. The sponsor of an Index may take any actions in respect of such Index without regard to the interests of the investor in the Securities, and any of these actions could have an adverse effect on the value of the Securities.

- (iv) *Occurrence of Index Adjustment Events or Additional Disruption Event*

Upon determining that an Index Adjustment Event or an Additional Disruption Event has occurred in relation to an Index, the Issuer has the discretion to make certain determinations and adjustments to account for such event including to (1) make adjustments to the terms of the Securities, and/or (2) cause an early redemption of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

Risks associated with Interest Rate

- (i) *Factors affecting interest rates may adversely affect the value of the Securities*

The performance of interest rates is dependent upon a number of factors, including supply and demand on the international money markets, which are influenced by measures taken by governments and central banks, as well as speculations and other macroeconomic factors, which may in turn adversely affect the value of the Securities.

Risks associated with debt securities (including various bonds and preference shares)

Certain Securities (other than the Credit Securities) may be linked to one or more bonds or preference shares as underlying assets. As a result, the return or the performance of Securities will be exposed to certain risks associated with such underlying debt securities, such as the following:

- (i) *The Securities may be early redeemed due to the early redemption of the underlying debt securities*

If specified to be so in the relevant Final Terms, the Securities may be redeemed early in certain circumstances which are linked to the early redemption of the underlying debt securities. Such early redemption may be earlier than expected and during a time at which the aggregate market price of the underlying debt securities may be significantly lower than the initial value of such underlying debt securities on the Issue Date. As a result of such early redemption, it may cause significant losses to the holders of Securities and may result in the Securities redeeming at zero.

- (ii) *The early redemption amount of the Securities may be determined by reference to the value of the underlying debt securities*

If the Securities are early redeemed, the early redemption amount may be determined by reference to the value of the underlying debt securities. Such value can be affected by a lot of factors, including but not limited to the credit risk of the issuer of the underlying debt securities. Unless otherwise specified so in the relevant Final Terms, there is no assurance that investors in the Securities will receive an amount equal to their investment at maturity and the amount that the Securities holders are entitled to receive on redemption may be zero. Any potential investor should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in the Securities. Neither the Issuer nor the Securities Guarantor nor the Dealer or any of their affiliates purport to be a source of information and credit analysis with respect to the issuers of the underlying debt securities.

- (iii) *Determination of the early redemption event of the Securities may not take into account interest of the Securities investors*

If specified to be so in the relevant Final Terms, an early redemption event of the Securities may be determined by the Issuer at its sole discretion, without regard to any related determination by the issuer of the underlying debt securities or any action taken, omitted to be taken or suffered by any other person including, without limitation, any creditor of the issuer of the underlying debt securities. Such determination may be adverse to the interests of the holders of the Securities, which may adversely affect the amount the holders of the Securities may receive following any early redemption.

Risks associated with creditworthiness of the Reference Entity or Entities

The Credit Securities have a different risk profile to other unsecured debt securities. The return on the Credit Securities is linked to the credit risk of one or more Reference Entities and certain obligations of one or more Reference Entities underlying that Series of Credit Securities. Investing in the Credit Securities is not equivalent

to investing directly in shares of any Reference Entity or in any obligation of any Reference Entity, nor is it equivalent to taking an exposure or hedging using over-the-counter derivatives.

Prospective investors should note that the Credit Securities differ from ordinary debt securities issued by the Issuer in that (i) the amount of principal and interest (if any) payable by the Issuer is dependent on whether a Credit Event has occurred with respect to a relevant Reference Entity and, if so, on the value of certain specified obligations of such Reference Entity and (ii) if such events have occurred, the Issuer may deliver, on redemption, assets which are obligations of (or obligations guaranteed by) such Reference Entity/Entities in lieu of any cash payment under the Credit Securities.

The Credit Securities may redeem below par and investors may receive no or a limited amount of interest under the Credit Securities. The redemption amount or amount of assets delivered may vary considerably due to market conditions and may in certain circumstances (for example following a default of a Reference Entity) be likely to be valued at a considerable discount to their par value or even zero and investors may therefore lose all or a substantial portion of their investment. The redemption amount is further reduced by the costs incurred by the Issuer on unwinding the transactions entered into by the Issuer for the purpose of hedging its exposure under the Credit Securities. Investors in the Credit Securities should be aware that payment of the redemption amount or delivery of assets may occur at a different time than expected and that they may lose all or a substantial portion of their investment. In certain circumstances, the Credit Securities may redeem at zero.

The market price of Credit Securities may be volatile and will be affected by, amongst other things, the time remaining to the maturity date, prevailing credit spreads and the creditworthiness of the relevant Reference Entity or Entities, which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

There may exist at times only limited markets for the Credit Securities or no market for the Credit Securities and for the obligations of the Reference Entity or Entities to which the Credit Securities are linked, resulting in low or non-existent volumes of trading in the Credit Securities and such obligations, and therefore a lack of liquidity and price volatility of the Credit Securities and such obligations.

The Credit Securities bear the credit risk of the Reference Entity or Entities identified in the relevant Final Terms. The occurrence of a Credit Event in relation to a relevant Reference Entity will directly and materially affect the return and/or value of an investor's investment in the Credit Securities. The likelihood of a Credit Event occurring in respect of a relevant Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of such Reference Entity, general economic conditions, the conditions of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Prospective investors should review each Reference Entity and conduct their own investigation and analysis with respect to the credit risk of each Reference Entity and the likelihood of a Credit Event with respect to such Reference Entity.

Risks associated with Funds

Securities that are linked to Funds are offered to investors at the relevant price and on the relevant terms on the basis that the Issuer and/or the Hedging Entity can effectively and continuously hedge and manage its risks under the Securities. Therefore, the Terms and Conditions of the Securities provide that, following the occurrence of certain events outside of the Issuer's and/or Hedging Entity's control that may result in additional risks or costs for the Issuer and/or Hedging Entity, the Issuer or the Calculation Agent (as applicable) may exercise its discretion to take one of the actions available to it in order to deal with the impact of such event on the Securities or the Issuer's and/or the Hedging Entity's hedging arrangements (or both). Such discretions have the effect of, amongst other things, transferring the risks and costs of certain events which affect the underlying Fund(s) and/or the Issuer's and/or the Hedging Entity's hedging arrangements from the Issuer and/or Hedging Entity to the holders of Securities. It is possible that any such discretionary determination by the Issuer or the Calculation Agent could have a material adverse impact on the value of and return on the Securities and/or could result in their early redemption.

(i) Events affecting subscription or redemption

Securities that are linked to a Fund will expose investors in the Securities to risks which are comparable to the risks to which a direct investor in such Fund is exposed. The amounts (if any) payable on the

Securities will depend on the official net asset value of the relevant Fund Unit on one or more specified dates. However, not all the risks of an investment in a Fund will be reflected in its official net asset value.

In particular, unlike an ordinary share or bond traded on a stock exchange, Fund Units are non-transferable and the subscription or redemption of Fund Units may be subject to certain restrictions, including, without limitation, the requirement to obtain the consent of the relevant Fund Manager. The subscription and redemption process to which an investor in a Fund is subject is determined by such Fund and/or the relevant Fund Manager, and this presents additional risks to investors. An investor in Fund Units may be prevented from subscribing and redeeming such Fund Units, either at the official net asset value or at all, or the prescribed notice period, timing cut-offs and minimum/maximum amounts in respect of subscriptions and redemptions for Fund Units may be changed. There is also a risk that Fund Units cannot be subscribed for and redeemed at the official net asset value, for example, as a result of the imposition of any charges by the Fund.

The Securities are offered to investors on the basis that the Hedging Entity will be able to fully and continuously hedge the payment obligations of the Issuer under the Securities throughout the term of the Securities or where the Hedging Entity is not a member of the Issuer Group, the relevant Hedging Arrangements. The hedging arrangements of the Hedging Entity may include subscribing for, redeeming and holding the relevant Fund Units during the term of the Securities to ensure that the Issuer's obligations under the Securities or such Hedging Entity's obligations under the relevant Hedging Arrangements are at all times matched by the Hedging Entity's holdings of Fund Units or the Hedging Entity entering into a financial instrument that provides a similar exposure. As a result of these hedging arrangements, the Hedging Entity will be exposed to the risks described above and therefore the Terms and Conditions of the Securities provide that the Issuer and/or Calculation Agent may make certain discretionary determinations following the occurrence of any Fund Substitution Events, Disruption Events and Fund Adjustment Events (for these purposes, the "**Fund Events**"), which will have the effect of transferring certain risks of holding such Fund Units to the holders of Securities. See also risk factor (viii) (*Determinations made by the Issuer in respect of Fund Adjustment Events, Disruption Events, Fund Substitution Events or Fund Defeasance Events could have an adverse effect on the value of and return on the Securities*) below.

Unless otherwise specified, investors should note that if the Issuer Group enters into any Hedging Arrangements, investors would only receive amounts under the Securities to the extent that any proceeds are actually received by the Issuer Group.

(ii) *Fee rebate arrangements*

The Securities may be offered to investors on the basis that a fee rebate agreement might be in place between the Hedging Entity and the underlying Fund(s). The termination and/or material modification of such arrangement may result in losses or increased costs to the Issuer and/or Hedging Entity. If such an event occurs, the Issuer and/or Calculation Agent may make certain discretionary determinations which will have the effect of transferring the adverse financial impact on the Issuer and/or Hedging Entity of such event to the holders of Securities. See also risk factors (viii)(A) (*Fund Adjustment Events*) and (viii)(C) (*Fund Substitution Events*) below.

(iii) *Events affecting the characteristics of a Fund*

The Securities are offered to investors on the basis that the key characteristics of the underlying Fund(s) as at the Trade Date remain the same throughout the life of the Securities. Such characteristics include the investment objective and strategy of the underlying Fund(s), its legal structure and its accounting currency. If there is a change to any of these key characteristics of the underlying Fund(s), the Issuer and/or Calculation Agent may make certain discretionary determinations which will have the effect of transferring any adverse financial impact in relation to such change from the Issuer and/or Hedging Entity of such event to the holders of Securities. See also risk factors (viii)(A) (*Fund Adjustment Events*) and (viii)(C) (*Fund Substitution Events*) below.

(iv) *Legal or governmental proceedings*

The Securities are offered to investors on the basis that the underlying Fund(s) do not become involved with any material litigation, arbitration, investigation, proceeding or regulatory or governmental action in relation to the activities of such Fund(s) or any Fund Service Provider or loses a licence or regulatory authorisation applicable to the Fund(s) or any Fund Service Provider during the term of the Securities. These events, although they may not affect the ability of the Hedging Entity to subscribe and redeem Fund Units, may affect the ability of the Hedging Entity to hold Fund Units or may be indicative of potential issues with the ability of the Hedging Entity to hedge the Securities as described above and/or give rise to increased risk for the Hedging Entity in relation to such hedging arrangements. If such an event occurs, the Issuer and/or Calculation Agent may make certain discretionary determinations which will have the effect of transferring the risks of the Hedging Entity relating to such event to holders of Securities. See also risk factor (viii)(C) (*Fund Substitution Events*) below.

(v) *Inclusion Conditions and Fund Events*

The Inclusion Conditions and the Fund Events have been included in the Securities as part of the risk management requirements of the Hedging Entity in relation to its hedging arrangements in relation to the Securities. The exercise by the Issuer or Calculation Agent (as applicable) of its discretion under the Terms and Conditions of the Securities to take one of the actions available to it in order to deal with the impact of such events may benefit the Issuer and/or Hedging Entity by transferring the risks associated with such events to holders of Securities. This will reduce the Hedging Entity's exposure to such risks and help it to meet its internal risk management requirements. However, the Issuer and the Calculation Agent are under no obligation to monitor compliance of the underlying Fund(s) with the Inclusion Conditions, nor to monitor whether a Fund Event has occurred in respect of an underlying Fund. The Issuer and the Calculation Agent shall not be liable to any party or person for losses resulting from violations of the Inclusion Conditions or failure to determine a Fund Substitution Event or other event under the Securities. Except as provided in the conditions of the Securities, the Issuer and the Calculation Agent shall not be liable to any party or person for losses resulting from the timing of any determinations in relation to Fund Events or Inclusion Conditions or any other action or inaction by the Issuer or the Calculation Agent in respect of the Securities.

(vi) *A Fund is subject to its own unique risks and investors should review the offering documents of such Fund - including any description of risk factors - prior to making an investment decision regarding the Securities*

Investors should review the relevant fund offering documents, including the description of risk factors contained therein, prior to making an investment decision regarding the Securities. However, neither the Issuer nor any of its affiliates takes any responsibility for any such fund offering documents. Such fund offering documents will include more complete descriptions of the risks associated with the relevant fund.

(vii) *The performance of a Fund is subject to many factors, including the Fund strategies, underlying Fund investments and the Fund Manager*

A Fund, and any underlying Fund components in which it may invest, may utilise strategies such as short-selling, leverage, notes lending and borrowing, investment in sub-investment grade or non-readily realisable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses.

Funds, and any underlying Fund components in which it may invest, may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated.

The performance of a Fund and any underlying Fund component in which it may invest is dependent on the performance of the Fund Manager in selecting underlying Fund components and the management of the relevant underlying Fund components.

No assurance can be given that these persons will succeed in meeting the investment objectives of the Fund. No assurance can be given relating to the present or future performance of a Fund and any underlying Fund component in which it may invest, that any analytical model used by the Fund 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 a Fund has or may invest will prove accurate.

The following is a summary description of certain particular risks in relation to Funds which may have an adverse effect on their performance and/or delay or reduce distribution thereunder which, in turn, could have a material adverse effect on the value and the amount and timing of payment on the Securities:

- (A) *Illiquidity of fund investments*: The net asset value of a Fund will fluctuate with, among other changes, changes in market rates of interest, general economic conditions, economic conditions in particular industries, the condition of financial markets and the performance of a Fund's underlying component(s). Investments by a Fund in certain underlying assets may provide limited liquidity. Interests in a Fund may be subject to certain transfer restrictions, including, without limitation, the requirement to obtain the Fund Manager's consent (which may be given or withheld in its discretion). Furthermore, the relevant Fund offering documents typically provide that interests therein may be voluntarily redeemed only on specific dates of certain calendar months, quarters or years and only if an investor has given the requisite number of days' prior notice to the Fund Manager. A Fund may also reserve the right to suspend redemption rights or make in kind distributions in the event of market disruptions. A Fund is likely to retain a portion of the redemption proceeds pending the completion of the annual audit of the financial statements of such fund, resulting in considerable delay before the full redemption proceeds are received. Such illiquidity may adversely affect the price and timing of any liquidation of a Fund investment entered into by the Hedging Entity for the purposes of hedging that is necessary to meet the requirements of any investment guidelines or tests that the Issuer may have requested. Also, limited liquidity increases the risk that the Issuer may be unable to meet its current obligations during periods of adverse general economic conditions, and insufficient liquidity during the final liquidation of assets of a Fund could result in the postponement of payment of amounts owing under the Securities beyond the Scheduled Maturity Date or Settlement Date of the Securities.
- (B) *Reliance on Trading Models*: Some of the strategies and techniques used by the Fund Manager may employ a high degree of reliance on statistical trading models developed from historical analysis of the performance or correlations of certain companies, notes, industries, countries, or markets. There can be no assurance that historical performance that is used to determine such statistical trading models will be a good indication of future performance of a Fund. If future performance or such correlations vary significantly from the assumptions in such statistical models, then the Fund Manager may not achieve its intended results or investment performance.
- (C) *Diversification*: The number and diversity of investments held by a Fund may be limited, even where such Fund holds investments in other funds – particularly where such underlying funds hold similar investments or follow similar investment strategies.
- (D) *Fund leverage*: The Fund Manager of a Fund may utilise leverage techniques, including the use of borrowed funds, repurchase agreements, swaps and options and other derivative transactions. While such strategies and techniques may increase the opportunity to achieve higher returns on the amounts invested, they will generally also increase the risk of loss.
- (E) *Trading limitations and frequency*: Suspensions or limits for notes listed on a public exchange could render certain strategies followed by a Fund difficult to complete or continue. The frequency of a Fund's trading may result in portfolio turnover and brokerage commissions that are greater than other investment entities of similar size.
- (F) *Valuations*: The valuation of a Fund is generally controlled by the Fund Manager. Valuations are performed in accordance with 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 prices may be difficult to obtain. In consequence, the Fund

Manager and/or Fund Administrator 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 adjustments upward or downward. Uncertainties as to the valuation of the 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.

(G) *Dependence on the expertise of key persons:* The performance of a Fund will depend greatly on the experience of the investment professionals associated with the Fund Manager. The loss of one or more of such individuals could have a material adverse effect on the performance of a Fund.

(viii) *Determinations made by the Issuer in respect of Fund Adjustment Events, Disruption Events, Fund Substitution Events or Fund Defeasance Events could have an adverse effect on the value of and return on the Securities*

The Issuer may make adjustment to the terms of the Securities in the circumstance of Fund Adjustment Events, Disruption Events, Fund Substitution Events and Fund Defeasance Events.

(A) *Fund Adjustment Events*

Unless otherwise specified in the relevant Final Terms, Fund Adjustment Events include (1) a subdivision, consolidation or reclassification of the Fund Units, (2) where the Issuer determines that the published Fund Value of a Fund is not accurate or any transaction in respect of such Fund could not be transacted at such value or with a cash consideration in full, and to be received as scheduled, (3) the inability of the Hedging Entity to liquidate the Fund Units in accordance with the relevant subscription and redemption terms or any change in such terms, (4) any event having a diluting or concentrative effect on the theoretical value of the Fund Units, (5) a material adverse change in its accounting, regulatory or tax treatment which does or would adversely affect holders of the Fund Units or the Hedging Entity suffers or would suffer such adverse treatment as a result, (6) a material change in any fee arrangement that is in place on the Trade Date between the Hedging Entity and a Fund or the Fund Manager, (7) a material breach by the Fund Manager or any of its affiliates of any agreement with the Hedging Entity that is in place on the Trade Date or (8) a material change in any Hedging Arrangement since the date of entry into such Hedging Arrangement by the Issuer or an Affiliate thereof (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Fund Substitution Event).

Upon determining that a Fund Adjustment Event has occurred in respect of a Fund Unit and the related Fund, the Issuer has the discretion to make adjustments (without the consent of holders of Securities) to the Terms and Conditions of the Securities used to determine or derive the valuation of any amounts payable under the Securities to account for such event. This could have a material adverse effect on the value of the Securities and may reduce the amount(s) that would otherwise be payable under the Securities.

In making any such adjustments or determinations, the relevant Issuer in such capacity will (whether or not already expressed to be the case in the Conditions) act in good faith and in a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such adjustments or determinations in accordance with its applicable regulatory obligations.

(B) *Disruption Events*

A Disruption Event can be a Fund Disruption Event or a Market Disruption Event:

Unless otherwise specified in the relevant Final Terms, Fund Disruption Events include (1) a failure, suspension or postponement in the reporting or publishing of the Fund Value in respect of a Fund as scheduled or any event preventing the receipt of the Fund Value, (2) where the Issuer determines that the published Fund Value of a Fund is not accurate or any transaction in respect of such Fund could not be transacted at such value or with a cash consideration in full, and to be received as scheduled, (3) the inability of a Hypothetical Investor to liquidate the Fund Units or any other interest received by a Fund when scheduled, (4) a postponement, suspension or failure of a Fund to make

any payment in respect of the redemption of any interest in the Fund as scheduled, (5) the Hedging Entity is not permitted to subscribe for or redeem interests in a Fund in accordance with the relevant offering documents, and (6) postponement of any payment by the Hedging Entity acting as counterparty to any member of the Issuer Group under a Hedging Arrangement in accordance with the terms of such Hedging Arrangement.

Unless otherwise specified in the relevant Final Terms, Market Disruption Events include (aa) when the foreign exchange market or money market in U.S. dollars, the Settlement Currency or the Fund Currency is or are closed otherwise than for ordinary public holidays or if trading is restricted or suspended, and this would have a material impact on the ability of the Issuer and/or the Calculation Agent to determine the value of the Securities accurately or on the ability of the Hedging Entity to execute a hedge in respect of the Securities, and (bb) where there is a breakdown of any means of communication normally used for the valuation by the Calculation Agent of the Fund Unit or if the Issuer or the Calculation Agent is informed, or determines, that the last reported Fund Value should not be relied upon.

If the Issuer determines that a Disruption Event has occurred on a Reference Date, it may elect to (x) calculate, determine or adjust any variable in respect of the Securities or make any payment using an estimate of any variable in respect of the Securities, or (y) postpone any payment or calculation in respect of such Reference Date until the Disruption Event has ceased. This could have a material adverse effect on the value of the Securities and may reduce the amount(s) that would otherwise be payable under the Securities.

In making any such calculations, adjustments or determinations, the relevant Issuer in such capacity will (whether or not already expressed to be the case in the Conditions) act in good faith and in a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such calculations, adjustments or determinations in accordance with its applicable regulatory obligations.

(C) *Fund Substitution Events*

Unless otherwise specified in the relevant Final Terms, Fund Substitution Events include (1) events relating to the insolvency, winding up or cessation of trading of a Fund Units, a Fund or any Fund Service Provider, (2) any litigation, investigation and/or regulatory or governmental action in relation to the activities of a Fund or any Fund Service Provider for reasons of any alleged wrongdoing or breach of rules which, if true, would have a material effect on the Fund Value, (3) loss of an applicable licence or regulatory authorisation necessary for the conduct of the business of a Fund or a Fund Service Provider (unless the Issuer determines this to be immaterial), (4) a material change to the legal constitution or management of a Fund, (5) a material modification or breach of the investment objective and strategy of a Fund, (6) a violation of any leverage restriction that is applicable to, or affecting, a Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets, (7) the aggregate net asset value of a Fund decreases by more than the specified Fund NAV Threshold since the Trade Date, (8) the aggregate net asset value of assets managed by the Fund Manager decreases by more than the specified Fund Manager NAV Threshold since the Trade Date, (9) a material breach by the Fund Manager or any of its affiliates of any agreement with the Hedging Entity that is in place on the Trade Date, (10) a Fund does not comply with the specified criteria relating to liquidity, fee structure, minimum fund size and publication of the Fund Value, and (11) a material change in any Hedging Arrangement since the date of entry into such Hedging Arrangement by the Issuer or an Affiliate thereof (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Fund Adjustment Event).

If the Issuer determines that a Fund Substitution Event has occurred in respect of a Fund Unit and the related Fund, it may (aa) waive such event, (bb) substitute such Fund with one or more funds which comply with the Inclusion Conditions, (cc) adjust the weight of any one or more Fund Units, and (dd) make adjustments to the Terms and Conditions of the Securities to account for such event. This could have a material adverse effect on the value of the Securities and may reduce the amount(s) that would otherwise be payable under the Securities.

In making any such adjustments or determinations, the relevant Issuer in such capacity will (whether or not already expressed to be the case in the Conditions) act in good faith and in a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such adjustments or determinations in accordance with its applicable regulatory obligations.

(D) *Fund Defeasance Events*

Unless otherwise specified in the relevant Final Terms, Fund Defeasance Events include (1) where a Fund Substitution Event has occurred, the Calculation Agent declares that a substitution cannot be effected with a suitable substitute fund, (2) where a Fund Adjustment Event has occurred, the Calculation Agent declares that no adjustments it could make to the Terms and Conditions of the Securities would produce a commercially reasonable result, (3) a Disruption Event exists and subsists at any time during the term of the Securities for a consecutive number of days equal to the Maximum Days of Disruption, (4) all the Fund Units or all or substantially all the assets of such Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof, (5) as a result of (aa) any adoption of, or change in, law or regulation or its interpretation, (bb) any determination of a regulatory or taxation authority applicable to the Hedging Entity or a Fund, (cc) the application of the Hedging Entity's regulatory capital treatment or funding treatment of the Securities or its associated hedging arrangements or any change thereto, or (dd) the application of any rules implementing Section 619 of Dodd-Frank Wall Street Reform and Consumer Protection Act: (x) it becomes unlawful or prohibited for the Hedging Entity to hold, purchase, sell, redeem or otherwise create, transfer or receive any interest in the Fund; (y) the cost of the hedging arrangements in respect of the Securities would be materially increased; or (z) there would be a material decline in the Fund Value of a Fund, (6) the Hedging Entity is unable, or it is impractical for the Hedging Entity, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to such Fund Unit of entering into and performing its obligations with respect to the Security or, where the Hedging Entity is an entity other than a member of the Issuer Group, the relevant Hedging Arrangement, or (ii) realize, recover or remit the proceeds of any such transaction or asset, (7) the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Unit of entering into and performing its obligations with respect to the Security or, whether the Hedging Entity is an entity other than a member of the Issuer Group, the relevant Hedging Arrangement, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s) and (8) the termination of any Hedging Arrangement prior to the scheduled maturity or termination date under such arrangement.

If the Issuer determines that one or more Fund Defeasance Events have occurred, it may, but is not obliged to, declare a Defeasance Date. Following the declaration of a Defeasance Date, the Issuer may (I) if the terms of the Securities do not provide for the amount payable at maturity to be subject to a minimum amount, cause an early redemption of the Securities, or (II) otherwise, redeem the Securities at the scheduled maturity by payment of the Early Payment Amount instead of the Redemption Amount or the Settlement Amount (as the case may be), any of such determinations may have an adverse effect on the value of and return on the Securities. Following a determination by the Issuer in accordance with (I) or (II), no other amounts shall be payable in respect of the Securities on account of interest or otherwise.

In making any such determinations, the relevant Issuer in such capacity will (whether or not already expressed to be the case in the Conditions) act in good faith and in a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such determinations in accordance with its applicable regulatory obligations.

Issuer's and its affiliates' liquidity could be impaired if they are unable to access the capital markets, sell their assets, their liquidity costs increase or as a result of uncertainties regarding the possible discontinuation of benchmark rates

Issuer's and its affiliates' ability to borrow on a secured or unsecured basis and the cost of doing so can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity or the market perceptions of risk relating to the Issuer and its affiliates, certain counterparties of the Issuer or its affiliates or the banking sector as a whole, including their perceived or actual creditworthiness. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on the Issuer's and its affiliates' liquidity. In challenging credit markets the Issuer's and/or its affiliates' funding costs may increase or it may be unable to raise funds to support or expand their businesses, adversely affecting their results of operations. Following the financial crisis in 2008 and 2009, the Issuer's and its affiliates' costs of liquidity have been significant and they expect to incur ongoing costs as a result of regulatory requirements for increased liquidity.

If the Issuer and its affiliates are unable to raise needed funds in the capital markets (including through offerings of equity, regulatory capital securities and other debt), the Issuer and/or its affiliates may need to liquidate unencumbered assets to meet their liabilities. In a time of reduced liquidity, the Issuer and its affiliates may be unable to sell some of their assets, or they may need to sell assets at depressed prices, which in either case could adversely affect their results of operations and financial condition.

The outbreak of COVID-19 may negatively affect the Issuer's and its affiliates' business, operations and financial performance

On 3 March 2020, COVID-19 was characterised as a pandemic by the World Health Organization. Since December 2019, COVID-19 has spread rapidly, with at least 150 countries and territories worldwide with confirmed cases of COVID-19, and a high concentration of cases in certain countries in which the Issuer and its affiliates conduct business.

The spread of COVID-19 and resulting tight government controls and travel bans implemented around the world have caused disruption to global supply chains and economic activity, and the market has entered a period of increased volatility. The spread of COVID-19 is expected to have a significant impact on the global economy, and is likely to affect the Issuer's and its affiliates' financial performance, including credit loss estimates, trading revenues, net interest income and potential goodwill assessments. The extent of the adverse impact of the pandemic on the global economy and markets will depend, in part, on the length and severity of the measures taken to limit the spread of the virus and, in part, on the size and effectiveness of the compensating measures taken by governments. The Issuer and its affiliates are closely monitoring the potential effects and impact on their operations, businesses and financial performance, including liquidity and capital usage, though the extent is difficult to fully predict at this time due to the rapid evolution of this uncertain situation.

Risks related to the interest rate benchmark reform

Risks relating to Floating Rate

Reference rates and indices, including interest rate benchmarks such as London Interbank Offered Rate (“**LIBOR**”), which may be used to determine certain amounts payable under the Securities or the value of the Securities (“**Benchmarks**”) have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, including the proposed discontinuance of LIBOR by the year end of 2021, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on the value of and return on the Securities that refer to a Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Securities linked to or referencing a Benchmark.

Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index “benchmarks”

LIBOR, the Euro Interbank Offered Rate (“**EURIBOR**”) and other indices which are deemed “benchmarks” are the subject of recent national, international and other regulatory guidance and reform. Some of these reforms are already effective whilst others are yet to apply. These reforms may cause such “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 Securities linked to a “benchmark”.

Key international reforms of “benchmarks” include the Principles for Financial Market Benchmarks (July 2013) of International Organization of Securities Commissions (“**IOSCO**”) (the “**IOSCO Benchmark Principles**”) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmarks Regulation**”).

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies. The first review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The first review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

In February 2016, IOSCO published its second review of the implementation of the IOSCO Benchmark Principles by administrators of EURIBOR, LIBOR and the Tokyo Inter-Bank Offer Rate (“**TIBOR**”). The second review noted that the administrators of LIBOR, EURIBOR and TIBOR had been proactively engaged in addressing the issues raised in the first review. Nevertheless, the second review set out recommendations for each administrator in order to strengthen the implementation of the IOSCO Benchmark Principles and proposed that relevant national authorities monitor the progress made by the three administrators in order to implement those recommendations.

The Benchmarks Regulation entered into force on 30 June 2016 and the majority of its provisions became applicable on 1 January 2018. The Benchmarks Regulation applies to “administrators” of, “contributors” to, and “users” of “benchmarks” in the EU. Among other things, the Benchmarks Regulation: (i) requires EU benchmark administrators to be authorised or registered by a national regulator (unless an exemption applies); (ii) provides that in order to be used by supervised entities in the EU, a non-EU benchmark must be qualified for use in the EU under the third-country regime (through equivalence, recognition or endorsement) and comply with extensive requirements in relation to the administration of the non-EU benchmark; and (iii) bans the use by “supervised entities” of: (a) EU “benchmarks” whose administrators are not authorised or registered; and (b) non-EU “benchmarks” that are not qualified for use in the EU under the third-country regime.

The scope of the Benchmarks Regulation is wide and, in addition to so-called “critical benchmarks” such as EURIBOR, 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 certain financial instruments (including securities or OTC derivatives traded on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or via a “systematic internaliser”), certain financial contracts and investment funds. Different types and categories of “benchmark” are subject to more or less stringent requirements, and in particular a lighter touch regime may apply where a “benchmark” is not based on interest rates or commodities and the value of financial instruments, financial contracts or investment funds referring to a benchmark is less than €50 billion, subject to further conditions.

The Benchmarks Regulation and/or any other international, national or other reforms and/or the general increased regulatory scrutiny of “benchmarks” could have a material impact on any Securities linked to a “benchmark” index, including in any of the following circumstances:

- The costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements could increase, discouraging market participants from continuing to administer or participate in certain “benchmarks” and/or leading to the disappearance

of certain “benchmarks”. The disappearance of a “benchmark” (including, without limitation, the LIBOR benchmark) could result in such benchmark being deemed replaced (for the purposes of the Securities) with an alternative benchmark selected by the Issuer, adjustment to the terms and conditions, early redemption or termination, discretionary valuation by the Issuer and/or the Calculation Agent, delisting or other consequences in relation to the Securities linked to such “benchmark” or APPENDIX 3 (*USD Benchmark Transition Event Provisions*) or APPENDIX 4 (*General Reference Rate Event Provisions*) apply to the interest rate applicable to such Securities.

- The administrator of a rate or index which is a “benchmark” may not obtain authorisation/registration or not be able to rely on one of the regimes available to non-EU benchmarks. In such event, depending on the particular “benchmark” and the applicable terms of the Securities, such benchmark may be deemed replaced with an alternative benchmark selected by the Issuer, the General Terms and Conditions of the Securities might be adjusted pursuant to APPENDIX 3 (*USD Benchmark Transition Event Provisions*) or APPENDIX 4 (*General Reference Rate Event Provisions*), or de-listed, redeemed or terminated early, or otherwise impacted.
- The methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmarks Regulation or other reforms, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level and, depending on the particular “benchmark” and the applicable terms of the Securities, could lead to adjustments to the terms of the Securities, including Calculation Agent determination of the rate or level in its discretion.

Any of the above consequences could have a material adverse effect on the value of and return on any such Securities linked to a “benchmark” index.

Furthermore, LIBOR is the subject of ongoing regulatory reforms. Following the implementation of any of these reforms, the manner of administration of LIBOR may change, with the result that it may perform differently than in the past or be eliminated entirely, or there could be other consequences that cannot be predicted. For example, on 27 July 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). Further, on 12 July 2018 the FCA announced that LIBOR may cease to be a regulated benchmark under the Benchmark Regulations. The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. At this time, it is not possible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. Uncertainty as to the nature of such alternative reference rates or other reforms may adversely affect the trading market for LIBOR-linked securities. The potential elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or other reforms may require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

The market continues to develop in relation to SOFR as reference rates for Floating Rate Securities

The Secured Overnight Financing Rate ("**SOFR**") is published by the Federal Reserve Bank of New York (the "**Federal Reserve**") and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. The Federal Reserve notes on its publication page for SOFR that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice. Because SOFR is published by the Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Securities linked to SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Securities and the trading prices of such Securities. The Federal Reserve began to publish SOFR in April 2018. The Federal Reserve has also begun publishing historical indicative SOFR rates going back to 2014. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR. Also, since SOFR is a relatively new market index, Securities linked to SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities

indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Securities linked to SOFR may be lower than those of later-issued indexed debt securities as a result.

The Issuer may in the future also issue Securities referencing SOFR that differ materially in terms of interest determination when compared with any previous SOFR-referenced Securities issued under the Programme. The nascent development of SOFR as interest reference rates for the Eurobond markets, as well as continued development of SOFR-based rates for such markets and market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or otherwise affect the market price of any SOFR-referenced Securities issued under the Programme. Interest on Securities which reference Term SOFR or Compounded SOFR is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Securities that reference a SOFR rate to reliably estimate the amount of interest that will be payable on such Securities. In addition, the manner of adoption or application of SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets.

Investors should carefully consider how any mismatch between the adoption of SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Securities referencing a SOFR rate. Investors should consider these matters when making their investment decision with respect to any such Securities.

Further, if SOFR does not prove to be widely used in securities like the Securities, the trading prices of Securities linked to SOFR may be lower than those of notes linked to reference rates that are more widely used. Investors in such Securities may not be able to sell such Securities at all or may not be able to sell such Securities at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk.

Benchmarks and the risk of a USD Benchmark Transition Event or a Reference Rate Event

(i) Triggers, fallbacks and amendment rights

To the extent that any Securities of a Series reference a Benchmark, prospective investors should understand (i) what fallbacks might apply in place of such Benchmark (if any), (ii) when those fallbacks will be triggered and (iii) what amendment rights (if any) exist under the terms of such Securities.

(ii) Determining the occurrence of a USD Benchmark Transition Event or Reference Rate Event

If a Series references a Benchmark, there is a risk that a USD Benchmark Transition Event or a Reference Rate Event occurs in respect of such Benchmark. A USD Benchmark Transition Event or a Reference Rate Event is expected to occur if, among others, (A) the Benchmark has ceased or will cease to be provided permanently or indefinitely, (B) the administrator of the Benchmark ceases to have the necessary authorisations and as a result it is not permitted under applicable law for one or more persons to perform their obligations under the Securities, (C) the Benchmark is, with respect to over-the-counter derivatives transactions which reference such Benchmark, the subject of any market-wide development pursuant to which such Benchmark is replaced with a risk-free rate (or near risk-free rate) or (D) the supervisor of the administrator of the Benchmark makes a public statement that such Benchmark is no longer representative. It is uncertain as to if or when a USD Benchmark Transition Event or a Reference Rate Event may occur in respect of a Benchmark. Whether a USD Benchmark Transition Event or a Reference Rate Event has occurred will be determined by the Calculation Agent.

Investors should be aware that a change (whether material or not) to the definition, methodology or formula for a Benchmark, or other means of calculating such Benchmark will not, unless otherwise specified in the applicable Final Terms, constitute a USD Benchmark Transition Event or a Reference Rate Event. Each holder of the Securities will bear the risks arising from any such change and will not be entitled to any form of compensation as a result of any such change.

(iii) Consequences of the occurrence of a USD Benchmark Transition Event or a Reference Rate Event

If the Calculation Agent determines that a USD Benchmark Transition Event or a Reference Rate Event has occurred in respect of a relevant Benchmark, the Issuer will notify the holders of the Securities accordingly and the Calculation Agent will attempt to (A) identify the USD Benchmark Replacement or Benchmark Replacement and (B) if applicable, determine an adjustment spread that will be applied to the USD Benchmark Replacement or Benchmark replacement and (C) determine such other amendments which it considers are necessary or appropriate in order to account for the effect of the replacement of the USD Benchmark or Benchmark and/or to preserve as closely as practicable the economic equivalence of the Securities before and after the replacement of the USD Benchmark or Benchmark with a USD Benchmark Replacement or Benchmark replacement.

Investors should be aware that (I) the application of any USD Benchmark Replacement or Benchmark replacement, together with any consequential amendments, could result in a lower amount being payable to the holders of the Securities than would otherwise have been the case, (II) any such USD Benchmark Replacement or Benchmark replacement and any consequential amendments shall apply without requiring the consent of the holders of the Securities and (III) if no USD Benchmark Replacement or Benchmark replacement can be identified by the Calculation Agent, the Securities will be the subject of an early redemption. There is no guarantee that a USD Benchmark Replacement or Benchmark replacement will be identified by the Calculation Agent.

(iv) Determination of a Benchmark replacement

When identifying a Benchmark replacement, the Calculation Agent may only have regard to (A) Benchmarks that are recognised or acknowledged as being industry standard replacements for over-the-counter derivative transactions or (B) any alternative pre-nominated in the Final Terms. If both an industry standard replacement Benchmark exists and an alternative Benchmark is pre-nominated in the applicable Final Terms, the Benchmark replacement specified in the applicable Final Terms will take precedence.

The spread shall take account of any transfer of economic value that would otherwise arise as a result of replacing the relevant Benchmark. The spread may be positive, negative or zero and may be determined pursuant to a formula or methodology.

The Issuer and the Securities may be subject to the recovery and resolution regime in Hong Kong

Notwithstanding the terms of any Securities, the rights of the holders of the Securities under the Securities may be subject to the exercise of powers under the recovery and resolution regime in Hong Kong which covers certain financial institutions in the banking, insurance, and securities and futures sectors, as well as certain financial market infrastructures and exchanges in Hong Kong and affiliated operational entities of a within-scope financial institution.

When in force, the recovery and resolution regime in Hong Kong may give resolution authorities various powers relating to bail-in, which may include the power to write-down, or convert into equity, the claims of certain unsecured senior creditors or other loss absorption measures. Such powers may affect the pricing and claims of holders of the Securities. If the resolution authorities make rules in respect of bail-in under Hong Kong law and the Issuer is captured by the resolution regime as an affiliated operational entity of a within-scope financial institution, the Securities may be subject to write-down or loss absorption upon the occurrence of the relevant trigger event as determined by Hong Kong authorities, which may result in the holders of the Securities losing some or all of their investment.

Potential Effect of Volcker Rule

Volcker Rule Section 619 of the U.S. Dodd-Frank Act (the “**Volcker Rule**”), amongst other things, prevents “banking entities” (defined to include many internationally active banks and their affiliates) subject to the Volcker Rule from acquiring or retaining any “ownership interest” in, or “sponsoring”, any “covered funds”, each as defined in the Volcker Rule. If the Issuer is considered a covered fund under the Volcker Rule and the Securities are considered “ownership interests,” banking entities may be prohibited from investing in the Securities, which could adversely impact the secondary market price and liquidity of the Securities. Any prospective investor that is considering an investment in the Securities should consult its independent legal advisor as to whether the Issuer is a covered fund and whether the Securities are ownership interests.

Issuance of Fungible Securities

The Issuer may, without the consent of the holders of outstanding Securities, issue additional Securities with identical terms. These additional Securities, even if they are treated for non-tax purposes as part of the same series as the original Securities, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, further issues of securities could affect the application of FATCA and withholding on dividend equivalent payments with respect to the Securities. These differences, among other things, may affect the market value of the original Securities if the additional Securities are not otherwise distinguishable from the original Securities.

Prospective purchasers of Securities should reach an investment decision only after carefully considering the suitability of such Securities in light of their particular circumstances.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Securities denominated in any currency, subject as set out herein.

The applicable terms of any Securities will be agreed by the Issuer prior to the issue of the Securities and will be set out in the “General Terms and Conditions of the Securities” and the applicable Asset Terms and Conditions endorsed on, attached to, or incorporated by reference into, the Securities, as modified and supplemented by the relevant Final Terms attached to, or endorsed on, such Securities.

This Base Programme Document and any supplement will only be valid for the issue of Securities from the date of this Base Programme Document in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Securities previously or simultaneously issued under the Programme, does not exceed U.S.\$15,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Securities issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Securities denominated in another Specified Currency (as specified in the relevant Final Terms in relation to the relevant Securities, described under “Form of the Securities”) shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Securities or on the preceding day on which commercial banks and foreign exchange markets settle payments and are open for general business in Hong Kong, in each case on the basis of the spot rate for the sale of U.S. dollars against the purchase of such Specified Currency in the Hong Kong foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;
- (b) the U.S. dollar equivalent of Securities shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Securities; and
- (c) the U.S. dollar equivalent of Securities issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Programme Document and, in relation to the terms and conditions of any particular series of Securities, the relevant Final Terms. Words and expressions defined in “Form of the Securities”, “General Terms and Conditions of the Securities” and “Asset Terms and Conditions” below shall have the same meanings in this summary.

Issuer	CSI Financial Products Limited.
Securities Guarantor	CITIC Securities International Company Limited (in respect of Guaranteed Series only).
Dealer(s)	CSI Global Markets Limited, CLSA (UK), CLSA Limited and any such other Dealer as may be appointed by the Issuer from time to time.
Listing Agent	Ogier Corporate Finance Limited.
Listing	Application has been made to the Authority for any Securities which are agreed at the time of issue thereof to be so listed on the Official List of the Exchange.
Description of the Programme	Global Securities Programme.
Description of the Securities:	<p>Securities issued under the Programme may be equity linked securities, equity index linked securities, interest rate linked securities, bond linked securities, credit securities and any other types of securities that the Issuer may from time to time decide to issue.</p> <p>The Securities will be issued in one or more series and/or one or more tranches under a series. The terms of one series of Securities may be different from another.</p> <p>The currency of denomination, the denomination, minimum purchase and transfer amount, issue price, interest and redemption basis, the maturity date and certain other terms will be specified in the relevant Final Terms.</p>
Certain Restrictions	Each issue of Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale”).
Fiscal Agent	CSI Capital Management Limited (in respect of Securities held outside Euroclear, Clearstream, Luxembourg and CMU Service), Citicorp International Limited (in respect of Securities held through Euroclear and/or Clearstream, Luxembourg or CMU

	Service) or such other fiscal agent as specified in the relevant Final Terms.
Registrar	CSI Capital Management Limited (in respect of Securities held outside Euroclear, Clearstream, Luxembourg and CMU Service), Citibank, N.A., London Branch (in respect of Securities held through Euroclear and/or Clearstream, Luxembourg), Citicorp International Limited (in respect of CMU Securities) or such other registrar as specified in the relevant Final Terms.
Calculation Agent	CSI Capital Management Limited or such other calculation agent specified in the relevant Final Terms.
Issuing and Paying Agent	CSI Capital Management Limited (in respect of Securities held outside Euroclear, Clearstream, Luxembourg and CMU Service), Citibank, N.A., London Branch (in respect of Securities held through Euroclear and/or Clearstream, Luxembourg) or such other issuing and paying agent as specified in the relevant Final Terms.
Transfer Agent	CSI Capital Management Limited (in respect of Securities held outside Euroclear, Clearstream, Luxembourg and CMU Service), Citibank, N.A., London Branch (in respect of Securities held through Euroclear and/or Clearstream, Luxembourg), Citicorp International Limited (in respect of CMU Securities) or such other transfer agent as specified in the relevant Final Terms.
CMU Lodging and Paying Agent	Citicorp International Limited.
Clearing Agent	Euroclear, Clearstream, Luxembourg, CMU Service and such other clearing agent as may be specified in the relevant Final Terms.
Programme Size	Up to U.S.\$15,000,000,000 (or its equivalent in other currencies calculated as described under “General Description of the Programme”) outstanding at any time. The Issuer may increase the amount of the Programme.
Securities Guarantee	Each Guaranteed Series will be issued with the benefit of a Securities Guarantee provided by the Securities Guarantor specified in the relevant Final Terms. For a Guaranteed Series only, the payment of principal sums and interest on principal sums (including interest owing on such interest) in respect of the Securities will be unconditionally and irrevocably guaranteed by the Securities Guarantor.
Status of the Securities and the Securities Guarantee	The Securities shall be issued on an unsubordinated basis. The Securities will constitute direct, unsubordinated and unsecured obligations of the Issuer and will at all times rank pari passu and without any preference among themselves and equally with all other unsecured and unsubordinated obligations of the Issuer other than obligations as may be preferred by mandatory provisions of applicable law.

	<p>For a Guaranteed Series only, the Securities Guarantee will constitute direct, unsubordinated and unsecured obligations of the Securities Guarantor and will at all times rank pari passu and without any preference among themselves and equally with all other unsecured and unsubordinated obligations of the Securities Guarantor other than obligations as may be preferred by mandatory provisions of applicable law.</p>
Currencies	<p>Subject to the applicable legal or regulatory restrictions, the Securities may be issued in any currency specified by the Issuer.</p>
Maturities	<p>Such maturities as may be specified by the Issuer subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer, the Securities Guarantor (if applicable) or the relevant Specified Currency.</p>
Issue Price	<p>The Securities may be issued on a fully paid or a partly paid basis and at an issue price which is at par, at a discount to par, or at a premium over par.</p>
Form of Securities	<p>The Securities will be in registered form as described under “Form of the Securities”.</p>
Interest Payments	<p>Payments of interest (if applicable) in respect of the Securities may be calculated by reference to a fixed rate, floating rate, single Underlying Asset or a basket of Underlying Asset(s) on such terms as may be specified by the Issuer (as specified in the relevant Final Terms).</p> <p>The Securities may be issued at their nominal amount or at a discount to it and will not bear interest.</p>
Redemption	<p>Unless previously redeemed or purchased and cancelled, each Security that provides for Instalment Dates and Instalment Amounts (except the final Instalment Amount) shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms.</p> <p>Unless previously redeemed or purchased and cancelled subject to the relevant Asset Terms and Conditions and the relevant Final Terms, each Security shall be redeemed on the Maturity Date at its Redemption Amount or its final Instalment Amount, in each case, as specified in the relevant Final Terms.</p> <p>The relevant Final Terms may provide that the Securities may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the relevant Final Terms.</p>
Early Redemption	<p>Each Security may be redeemed early for Illegality reasons pursuant to General Condition 5(c) or as a result of a Tax Event pursuant to General Condition 5(d) or a Regulatory Event</p>

	<p>pursuant to General Condition 5(e), or a Hedging Disruption Event or an Increased Cost of Hedging Event pursuant to General Condition 5(h) or upon any Security becoming due and payable upon occurrence of an Event of Default pursuant to General Condition 8 and/or such other event as specified in the relevant Asset Terms and Conditions and/or the relevant Final Terms, at the Early Payment Amount.</p>
Redemption at the Option of the Issuer	<p>If "Call Option" is specified in the relevant Final Terms, the Issuer may, on giving notice to the holders of Securities, redeem all or some of the Securities on any Optional Redemption Date at the Optional Redemption Amount as specified in the relevant Final Terms.</p>
Redemption at the Option of holders of Securities	<p>If "Put Option" is specified in the relevant Final Terms, the Issuer shall, at the option of any holder of Securities and upon such holder of Securities exercising such put option by notice, redeem such Security on the Optional Redemption Date(s) at its Optional Redemption Amount specified in the relevant Final Terms. No such option may be exercised if the Issuer has given prior notice of redemption of the Securities.</p>
Denomination of Securities	<p>The Securities will be issued in such denominations as may be specified by the Issuer save that the minimum denomination of each Security will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.</p>
Taxation	<p>The Issuer and/or the Securities Guarantor (if applicable) will 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, presentation and surrender for payment, or enforcement of any Securities and all payments made by the Issuer and/or the Securities Guarantor (if applicable) shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.</p>
Negative Pledge	<p>The terms of the Securities will not contain a negative pledge provision.</p>
Cross Default	<p>The terms of the Securities will not contain a cross default provision.</p>
Rating of the Securities Guarantor	<p>The Securities Guarantor has a long-term corporate credit rating of "BBB+" and a short-term corporate credit rating of "A-2" with no negative implications by S&P.</p>
Rating of the Securities	<p>The Securities issued under the Programme may or may not be rated, as further provided in the relevant Final Terms.</p>
Governing Law	<p>The Securities will be governed by, and construed in accordance with, Hong Kong law.</p>

Selling Restrictions

There are restrictions on the offer, sale and transfer of the Securities in Hong Kong, The People's Republic of China, Singapore, the United States, the United Kingdom, the EEA, Taiwan, Macau, the Republic of Korea, Bermuda, British Virgin Islands, Cayman Islands, India, Malaysia, Thailand and the Philippines and such other jurisdiction(s) in connection with the offering and sale of a particular series of Securities (see "Subscription and Sale" below).

Updated financial information about the Securities Guarantor

holders of Securities of a Guaranteed Series may access the general corporate information of the Securities Guarantor at the following website: www.csb.com.hk (or any successor website thereto).

For as long as any Guaranteed Series remains outstanding, holders of Securities may also inspect hard copies of the latest financial information published by the Securities Guarantor at its office as specified in the relevant Final Terms during its usual business hours on any weekday (excluding Saturdays and public holidays) provided that at least two Business Days' advance notice in writing has been provided to the Securities Guarantor.

FORM OF THE SECURITIES

The Securities will initially be represented by a Global Certificate or Definitive Certificate in registered form. The Global Certificate will (i) be deposited with a common depository for Euroclear and Clearstream, Luxembourg and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg or (ii) be deposited with a sub-custodian for the Hong Kong Monetary Authority as operator of the CMU Service or (iii) be held through such other Clearing Agent as specified in the relevant Final Terms. Persons holding beneficial interests in Global Certificate will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Certificates in fully registered form.

Payments of principal, interest and any other amount in respect of the Global Certificates will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in General Condition 16) as the registered holder of the Global Certificates. None of the Issuer, the Securities Guarantor (if applicable), the Fiscal Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Securities in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in General Condition 6(a)) immediately preceding the due date for payment in the manner provided in that General Condition.

Transfers of holding of Securities represented by any Global Certificate pursuant to General Condition 2 may only be made in part (i) if principal in respect of any Securities is not paid when due, or (ii) the relevant Clearing Agent have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so. Provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the holder of the Securities has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such transfer.

Transfer of Interests

Interests in the Global Certificates may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Certificates. No beneficial owner of an interest in a Global Certificate will be able to transfer such interest, except in accordance with the applicable procedures of the relevant Clearing Agent to the extent applicable.

The Global Certificates and Definitive Certificates are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions (see "Subscription and Sale").

General

A Security may be accelerated by the holder thereof in certain circumstances described in General Condition 8. In such circumstances, where any Security is still represented by a Global Certificate and the Global Certificate (or any part thereof) has become due and repayable in accordance with the terms and conditions of such Securities and payment in full of the amount due or delivery of any Underlying Asset has not been made in accordance with the provisions of the Global Certificate, then holders of interests in such Security credited to their accounts with the Clearing Agent will become entitled to proceed directly against the Issuer on the basis of statements of account provided by the Clearing Agent on and subject to the terms of a Deed of Covenant (the "**Deed of Covenant**") executed by the Issuer, dated as of 28 July 2014, as amended and restated on 25 November 2015.

GENERAL TERMS AND CONDITIONS OF THE SECURITIES

*The following is the text of the general terms and conditions ("**General Conditions**") that, together with any applicable Asset Terms and Conditions ("**Asset Terms**") (as specified in the relevant Final Terms) and subject to the provisions of the relevant Final Terms, shall be applicable to the Securities. References in the Terms and Conditions to "Securities" are to the Securities of one series only, not to all Securities that may be issued under the Programme.*

The Securities (which expression shall include any Securities issued pursuant to General Condition 12) are issued pursuant to an agency agreement (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between CSI Financial Products Limited as issuer ("**Issuer**"), the Securities Guarantor and CSI Capital Management Limited or Citicorp International Limited (or such other entity as may be specified in the relevant Final Terms) as fiscal agent and the other agents named in it and with the benefit of a deed of covenant (as amended, restated or supplemented from time to time, the "**Deed of Covenant**") executed by the Issuer. If so specified in the applicable Final Terms, the Securities are guaranteed by CITIC Securities International Company Limited as guarantor ("**Securities Guarantor**") by means of a deed poll executed by the Securities Guarantor ("**Securities Guarantee**"). The registrar, the calculation agent and the fiscal agent for the time being (if any) are referred to below respectively as the "**Registrar**", the "**Calculation Agent**" and the "**Fiscal Agent**" (together with any other agents specified in the relevant Final Terms, the "**Agents**"). The holders of Securities (as defined in General Condition 1) are deemed to have notice of, and are entitled to the benefit of, all of the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement and the Deed of Covenant are, and, so long as any Securities remains outstanding, will be available for inspection during normal business hours at the specified office of the Fiscal Agent.

References herein to the "**Securities**" shall be references to the Securities of one series and shall mean:

- (i) in relation to any Securities represented by a global certificate (a "**Global Certificate**"), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Certificate; and
- (iii) any definitive certificates in registered form ("**Definitive Certificates**").

The Securities of any series are subject to these General Conditions, as modified and/or supplemented by any applicable Asset Terms and the relevant final terms containing the final terms (the "**Final Terms**") relating to the relevant Securities (together, the "**Terms and Conditions**").

Expressions used herein and not defined shall have the meaning given to them in any applicable Asset Terms or the relevant Final Terms. In the event of any inconsistency between the General Conditions, the applicable Asset Terms and the relevant Final Terms, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the relevant Final Terms;
- (b) the applicable Asset Terms; and
- (c) the General Conditions.

1. **Form, Denomination and Title**

The Securities are issued in registered form and, in the case of Definitive Certificates, serially numbered, in the Specified Currency, with the Specified Denomination specified in the relevant Final Terms.

All Securities of one series shall have the same Specified Denomination.

The Securities (i) bear interest calculated by reference to a fixed rate of interest ("**Fixed Rate Securities**"), (ii) bear interest by reference to a floating rate of interest ("**Floating Rate Securities**"), (iii) are issued on

a non-interest bearing basis (“**Zero Coupon Securities**”) or (iv) are a combination of (i) and (ii) of the foregoing, as specified in the relevant Final Terms.

Subject as set out below, title to the Securities will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

The Issuer, the Fiscal Agent and the Registrar will (except as otherwise required by law) deem and treat the registered holder of any Securities as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Certificate, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Securities is represented by a Global Certificate held by or on behalf of the Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”), and/or a sub-custodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (“**CMU Service**”) or such other additional or alternative clearing agent specified as such in the relevant Final Terms or as may otherwise be approved by the Issuer and the Fiscal Agent (“**Clearing Agent**”), each person (other than the Clearing Agent) who is for the time being shown in the records of the Clearing Agent as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by the Clearing Agent as to the nominal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Fiscal Agent as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Securities, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Issuer and the Fiscal Agent as the holder of such nominal amount of such Securities in accordance with and subject to the terms of the relevant Global Certificate and the expression “**holder of Securities**” and related expressions shall be construed accordingly. Notwithstanding the above, if a Security (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Security shall be made at the direction of the registered holder to the person(s) for whose account(s) interests in such Security are credited as being held through the CMU Service in accordance with the rules of the CMU Service at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Security credited to its account, save in the case of manifest error) (“**CMU Accountholders**”) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Security.

Securities which are represented by a Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the Clearing Agent.

2. **Transfers of the Securities**

(a) *Transfer of interests in Global Certificate*

Transfers of beneficial interests in Global Certificates will be effected by the Clearing Agent, and, in turn, by other participants and, if appropriate, indirect participants acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Securities in definitive form or for a beneficial interest in another Global Certificate only in the authorised denomination set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of the Clearing Agent and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Global Certificate registered in the name of a nominee or sub-custodian for the CMU Service shall be limited to transfers of such Global Certificate, in whole but not in part, to another nominee or sub-custodian of the CMU Service or to a successor of the CMU Service or such successor’s nominee or sub-custodian.

(b) *Transfer of Securities in definitive form*

Subject as provided in paragraph (d) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Security in definitive form may be transferred in whole or in part (in the Specified Denomination or any integral multiple of the Specified Denomination) by the transferor or a person duly authorised on behalf of the transferor depositing the Security for registration of the transfer of the Security (or the relevant part of the Security) at the specified office of the Registrar, with the form of transfer endorsed thereon duly completed and signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to any regulations set out in the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the Securities as the holder of the Security or part thereof specified in the form of transfer. Subject as provided above, the Registrar will, within five Hong Kong Business Days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by regular uninsured mail to such address as the transferee may request a new Security of the same Aggregate Nominal Amount to the Security (or the relevant part of the Security) transferred. In the case of a transfer of part only of a Security, a new Security in respect of the balance of the Security not transferred will be so delivered or (at the risk of the transferor) sent to the transferor. For the purposes of this paragraph, the expression “**Hong Kong Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Hong Kong.

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

In the event of a partial redemption of Securities, the Issuer shall not be required:

- (i) to register the transfer of Securities (or parts of Securities) during the period beginning on the 65th day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Securities called (in whole or in part) for redemption (both inclusive); or
- (ii) to register the transfer of any Security, or part of a Security, called for redemption.

(d) ***Costs of registration***

holders of Securities will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the Tax Jurisdiction or in any other jurisdiction where the Registrar’s specified office is located.

(e) ***Exchanges and transfers of Securities generally***

Holders of Securities in definitive form may exchange such Securities for interest in a Global Certificate of the same type at any time, subject to compliance with applicable securities laws and selling restrictions.

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

The Securities will constitute direct, unsubordinated and unsecured obligations of the Issuer and will at all times rank pari passu and without any preference among themselves.

If so specified in the applicable Final Terms, the payment of the principal, premium (if any) and interest (if any) in respect of the Securities and all other moneys payable by the Issuer under or pursuant to these Conditions has been unconditionally and irrevocably guaranteed by means of the Securities Guarantee by the Securities Guarantor. The Securities Guarantee will constitute direct, unsubordinated and unsecured obligations of the Securities Guarantor and will at all times rank pari passu and without any preference among themselves.

Save for such exceptions as may be provided by applicable legislation, the obligations of the Issuer under the Securities and (if applicable) the obligations of the Securities Guarantor under the

Securities Guarantee will at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer and the Securities Guarantor (if any) respectively, present and future.

4. Interest and Other Calculation

(a) Interest on Fixed Rate Securities

Each Fixed Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date either (i) at the rate per annum (expressed as a percentage) equal to the Rate of Interest or (ii) in an Interest Amount, such interest being payable in arrears on each Interest Payment Date. If so specified in the relevant Final Terms, the Rate of Interest or Interest Amount may be different for different Interest Periods.

(b) Premium

If so specified in the relevant Final Terms, the Issuer shall pay a premium in respect of the derivative element of the Securities. Such premium shall be payable in respect of each Security on its outstanding nominal amount from the Premium Commencement Date either (i) at the rate per annum (expressed as a percentage) equal to the Rate of Premium or (ii) in an amount equal to a fixed Premium Amount, such premium being payable in arrears on each Premium Payment Date. If so specified in the relevant Final Terms, the Rate of Premium or Premium Amount may be different for different Premium Periods.

(c) Interest on Floating Rate Securities

(i) Interest Payment Dates

Each Floating Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date specified in the relevant Final Terms.

(ii) Business Day Convention

If any date that is specified in the relevant Final Terms to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Securities

The Rate of Interest in respect of Floating Rate Securities for each Interest Period shall be determined by the Calculation Agent (as defined in the ISDA Definitions) as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (iii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified in the relevant Final Terms;

- (B) the Designated Maturity is a period so specified in the relevant Final Terms; and
- (C) the relevant Reset Date is (I) if the applicable Floating Rate Option is based on LIBOR or EURIBOR, the first day of that Interest Period or such days as so specified in the relevant Final Terms, or (II) if the applicable Floating Rate Option is neither based on LIBOR nor EURIBOR, such other day as so specified in the relevant Final Terms,

provided that and subject to the General Conditions 4(c)(iv) and 4(c)(v) below, if the Issuer determines that such ISDA Rate cannot be determined in accordance with the ISDA Definitions read with the above provisions, the value of the ISDA Rate for an Interest Period shall be such rate as is determined by the Calculation Agent in good faith and in a commercially reasonable manner having regard to comparable benchmarks then available.

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

(iv) *USD Benchmark Transition Event*

If the Rate of Interest is determined by reference to USD LIBOR (of any tenor) and the Calculation Agent determines that a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have occurred prior to the Reference Time in respect thereof on any date of determination of the Rate of Interest or other variable or amount under the General Conditions that depends on the determination of USD LIBOR, then APPENDIX 3 (*USD Benchmark Transition Event Provisions*) appended to this Base Programme Document shall apply in respect of the Securities in relation to such Rate of Interest.

For the purposes of this General Condition 4(c)(iv), additional definitions have been set out in APPENDIX 3 (*USD Benchmark Transition Event Provisions*).

(v) *Reference Rate Event*

If the Rate of Interest is determined by reference to a Reference Rate other than USD LIBOR (of any tenor) and the Calculation Agent determines that a Reference Rate Event has occurred in respect of a Reference Rate, then APPENDIX 4 (*General Reference Rate Event Provisions*) appended to this Base Programme Document shall apply in respect of the Securities in relation to such Reference Rate.

For the purposes of this General Condition 4(c)(v), additional definitions have been set out in APPENDIX 4 (*General Reference Rate Event Provisions*).

(d) ***Accrual of Interest and Premium***

Interest and Premium shall cease to accrue on each Security on the due date for redemption unless payment is improperly withheld or refused, in which event interest and premium shall continue to accrue (both before and after judgment) in the manner provided in this General Condition 4 to the Relevant Date (as defined in General Condition 7).

(e) ***Maximum/Minimum Rates of Interest, Rate Multipliers and Rounding***

- (i) If any Rate Multiplier is specified in the relevant Final Terms (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with (c) above by multiplying by such Rate Multiplier, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Final Terms, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall 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 the lowest transferable amount of such currency.

(f) ***Calculations***

The amount of interest or premium payable in respect of any Security for any period shall be calculated by multiplying the product of the Rate of Interest or Rate of Premium and the outstanding nominal amount of such Security by the Day Count Fraction, unless an Interest Amount or Premium Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest or premium payable in respect of such Security for such period shall equal such Interest Amount or Premium Amount (or be calculated in accordance with such formula).

(g) ***Determination and Publication of Rates of Interest/Premium and Interest/Premium Amounts***

On such date as the Calculation Agent may be required under this General Condition 4 to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate, calculate such amounts, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amount and/or the Rate of Premium and Premium Amount for each Interest Period and Premium Period and the relevant Interest Payment Date and Premium Payment Date to be notified to the Fiscal Agent, the Issuer (if the Issuer is not the Calculation Agent) and the holders of Securities as soon as possible after their determination but in no event later than the fourth Business Day after such determination. Where any Interest Payment Date or Premium Payment Date is subject to adjustment pursuant to General Condition 4(c)(ii), the Interest Amounts and the Interest Payment Date or Premium Amount and Premium 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 or Premium Period. If the Securities become due and payable under General Condition 8, the accrued interest and the Rate of Interest and/or Rate of Premium payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this General Condition 4 but no publication of the Rate of Interest and/or Rate of Premium or the Interest Amount or Premium Amount so calculated need be made.

(h) ***Zero Coupon Securities***

Where a Security the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Payment Amount of such Security. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Security shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in General Condition 5(b)(i)).

5. Redemption, Purchase and Options

(a) ***Redemption by Instalments and Final Redemption***

- (i) Unless previously redeemed or purchased and cancelled, each Security that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Security shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Security, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment

Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (ii) Unless previously redeemed or purchased and cancelled subject to the relevant Asset Terms or the Final Terms, each Security shall be redeemed on the Maturity Date at its Redemption Amount or, in the case of a Security falling within paragraph (i) above, its final Instalment Amount, in each case, as specified in the relevant Final Terms.

(b) ***Early Redemption***

(i) Zero Coupon Securities

- (A) The Early Payment Amount payable in respect of any Zero Coupon Security, the Early Payment Amount of which is not linked to an index and/or a formula, upon redemption of such Security pursuant to General Condition 5(c), (d) or (e) or upon it becoming due and payable as provided in General Condition 8 shall be the Amortised Face Amount (calculated as provided below) of such Security unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Security shall be the scheduled Redemption Amount of such Security on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Securities if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Payment Amount payable in respect of any such Security upon its redemption pursuant to General Condition 5(c), (d) or (e) or upon it becoming due and payable as provided in General Condition 8 is not paid when due, the Early Payment Amount due and payable in respect of such Security shall be the Amortised Face Amount of such Security as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Security becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Security on the Maturity Date together with any interest that may accrue in accordance with General Condition 4(h).

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

(ii) Other Securities

The amount payable in respect of any Security upon redemption of such Security pursuant to General Condition 5(c), (d) or (e), or upon any Security becoming due and payable as provided in General Condition 8, shall be the amount determined by the Issuer that, in the case of redemption pursuant to General Condition 5(c), (d) or (e) on a day prior to the due date for redemption selected by the Issuer in its sole and absolute discretion or, in the case of redemption pursuant to General Condition 8, on the due date for redemption of such Security, is equal to the Early Payment Amount.

(c) ***Redemption for Illegality Reasons***

If the Issuer shall have determined in good faith that the performance of any of its obligations under the Securities or that any arrangement made to hedge its obligations under the Securities shall have or will become, in whole or in part, unlawful, illegal, or otherwise contrary to any present or future law, rule, regulation, judgment, order, directive, policy or request of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or any change in the interpretation thereof (an "**Illegality**"), then the Issuer may, if and to the extent permitted by applicable

law, having given not more than 30 nor less than 15 days' notice to holders of Securities in accordance with General Condition 13, redeem the Securities at their Early Payment Amount. The Issuer will have no further obligation in relation to the Securities after payment of the Early Payment Amount.

(d) ***Redemption for Tax Reasons***

If the Issuer shall have determined in good faith that a Tax Event has occurred, then the Issuer may, if and to the extent permitted by applicable law, having given not more than 30 nor less than 15 days' notice to holders of Securities in accordance with General Condition 13, redeem the Securities at their Early Payment Amount. The Issuer will have no further obligation in relation to the Securities after payment of the Early Payment Amount.

(e) ***Redemption for Regulatory Event***

If the Issuer shall have determined in good faith that a Regulatory Event has occurred, then the Issuer may, if and to the extent permitted by applicable law, having given not more than 30 nor less than 15 days' notice to holders of Securities in accordance with General Condition 13, redeem the Securities at their Early Payment Amount. The Issuer will have no further obligation in relation to the Securities after payment of the Early Payment Amount.

(f) ***Redemption at the Option of the Issuer***

If "**Call Option**" is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the holders of Securities (or such other notice period as may be specified in the relevant Final Terms) redeem all or, if so provided, some of the Securities on any Optional Redemption Date specified in the relevant Final Terms at their Optional Redemption Amount specified in the relevant Final Terms. Any such redemption must relate to Securities of a nominal amount at least equal to the minimum nominal amount to be redeemed and no greater than the maximum nominal amount to be redeemed, as specified in the relevant Final Terms. All Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this General Condition 5(f).

In the case of a partial redemption, the Securities to be redeemed shall be selected by the Issuer in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and regulations and other relevant requirements, and holders of Securities shall be notified separately if their Securities have been selected.

(g) ***Redemption at the Option of holders of Securities***

If "**Put Option**" is specified in the relevant Final Terms, the Issuer shall, at the option of a holder of any such Security, upon the holder of such Security giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Security on the Optional Redemption Date(s) specified in the relevant Final Terms at its Optional Redemption Amount specified in the relevant Final Terms. No such option may be exercised if the Issuer has given notice of redemption of the Securities.

If the Security is in definitive form, to exercise such option, the holder must deposit a duly completed option exercise notice substantially in the form set out in the Agency Agreement (or such other form as the Issuer, the Fiscal Agent and the Registrar may approve) within the notice period together with the Definitive Certificates with the Registrar at its specified office.

(h) ***Redemption for Hedging Disruption Event***

(i) If the Issuer determines that a Hedging Disruption Event or an Increased Cost of Hedging Event (if specified as being applicable in the relevant Final Terms) has occurred, then the Issuer may (but need not) determine the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic

effect of such Hedging Disruption Event or an Increased Cost of Hedging Event on the Securities (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities), and determine the effective date of that adjustment.

- (ii) Upon making any such adjustment under this General Condition 5(h), the Issuer shall give notice as soon as practicable to the holders of Securities in accordance with General Condition 13 stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Hedging Disruption Event or Increased Cost of Hedging Event, as the case may be, provided that any failure to give such notice shall not affect the validity of the Hedging Disruption Event or Increased Cost of Hedging Event, as the case may be, or any action taken. If the Issuer determines that that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to holders of Securities in accordance with General Condition 13, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each holder of Securities in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.
- (iii) For the avoidance of doubt, if an event constitute a Hedging Disruption Event or (if applicable) a Hedging Disruption, or an Increased Cost of Hedging Event or (if applicable) an Increased Cost of Hedging, the Calculation Agent may in its sole discretion determine which set of provisions shall apply.

For the purposes of this General Condition 5(h),

"Hedging Disruption Event" means that any Hedging Party is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge its exposure or any other relevant risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover, receive, repatriate, transfer or remit the proceeds of any such transaction(s) or asset(s) or any futures or options contract(s) or any relevant Hedging Positions relating to the Securities.

"Hedging Party" means the Issuer, the relevant Guarantor, any of their respective Affiliates and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations in respect of the Securities from time to time.

"Hedging Positions" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchanges, (b) repurchase transactions, or (c) other instruments or arrangements (howsoever described) by the relevant Hedging Party in order to hedge, individually or on a portfolio basis, the risk of the Issuer of entering into and performing its obligations with respect to the Securities.

"Increased Cost of Hedging Event" means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

(i) ***Purchases***

The Issuer and any subsidiary or affiliate of the Issuer may at any time purchase Securities (provided that such Securities are purchased with all rights to receive all future payments of interest and Instalment Amounts (if any)) in the open market or otherwise at any price and may hold, resell or cancel them.

(j) ***Reference to Principal***

References to "**principal**" shall be deemed to include, wherever the context so admits, any amounts payable under the Securities other than by way of interest.

6. **Payments**

(a) *Payments in respect of the Securities*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Security (whether or not in global form) will be made to the person shown on the Register at the close of business on (i) the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the due date for payment, in the case of Definitive Certificates; or (ii) the business day (being for this purpose a day on which the Clearing Agent is open for business) before the due date for payment, in the case of Global Certificates, against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of the Security at the specified office of the Registrar or Fiscal Agent.

Payments of interest due on a Security and payments of instalments (if any) of principal on a Security, other than the final instalment, will be made to the person in whose name such Security is registered at the close of business on (i) the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located)) before the due date for payment, in the case of Definitive Certificates; or (ii) the business day (being for this purpose a day on which the Clearing Agent is open for business) before the due date for payment, in the case of Global Certificates (each such date, the "**Record Date**").

Payments on each Security shall be made as follows:

- (i) in the case of a Settlement Currency other than RMB, in the Settlement Currency by cheque drawn on a bank and mailed to the holder (or to the first-named of joint holders) of such Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar before the Record Date, such payment may be made by transfer to an account in the Settlement Currency specified by the payee with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System; or
- (ii) in the case of RMB, by credit or transfer to an RMB account maintained by or on behalf of the payee with a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in RMB in Hong Kong).

In the case of Securities (whether or not in global form) held in the CMU Service, payment will be made at the direction of the registered holder to the CMU Accountholders and such payment shall discharge the obligations of the Issuer in respect of that payment.

(b) *Payment in U.S. Dollar Equivalent or Alternate Currency Equivalent*

Notwithstanding any other Terms and Conditions, if by reason of the occurrence of an RMB Disruption Event, the Issuer determines in good faith that it is not able, or it would be impracticable for it, to satisfy payments in respect of the Securities in RMB in Hong Kong, the Issuer will settle any such payment in U.S dollars on the due date for payment at the U.S Dollar Equivalent of any such RMB denominated amount or equivalent in the Alternate Currency (converted at the Alternate Settlement Rate determined by the Calculation Agent as of a time selected in good faith by the Calculation Agent) and give notice thereof (including details thereof) as soon as practicable to the holders of Securities in accordance with General Condition 12.

(c) *Discharge of Obligation*

The holder of a Global Certificate (if the Global Certificate is not lodged with the CMU Service) or the CMU Accountholder at the direction of the holder of a Global Certificate (if the Global Certificate is

lodged with the CMU Service) shall be the only person entitled to receive payments in respect of Securities represented by such Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Certificate or such CMU Accountholder (as the case may be) in respect of each amount so paid. Each of the persons shown in the records of the Clearing Agent as the holder of a particular nominal amount of Securities represented by such Global Certificate must look solely to the Clearing Agent for its share of each payment so made by the Issuer to, or to the order of, the holder of such Global Certificate. No person other than the holder of the Global Certificate shall have any claim against the Issuer or the Securities Guarantor (if any) in respect of any payments due on that Global Certificate.

(d) ***Payments Subject to Laws***

All payments are subject in all cases to any applicable fiscal and other laws, regulations and directives.

(e) ***Appointment of Agents***

The Agents initially appointed by the Issuer and their respective specified offices are specified in the relevant Final Terms. The Agents act solely as agents of the Issuer and neither the Issuer nor any of the Agents assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any holder of Securities. The Issuer may at any time vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent and (ii) a Registrar in relation to the Securities.

Notice of any such change or any change of any specified office shall promptly be given to the holders of Securities.

(f) ***Non-Currency Business Days***

If any date for payment in respect of any Security is not a business day, the holder shall not be entitled to payment until the next following business day or to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day which is a Currency Business Day and, where presentation is required, a "Banking Day" in the relevant place of presentation.

(g) ***No Gross-Up on Payments by Issuer or the Securities Guarantor***

Neither the Issuer nor the Securities Guarantor (if any) shall 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, presentation and surrender for payment, or enforcement of any Security and all payments made by the Issuer or the Securities Guarantor (if any) shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. Each of the Issuer and the Securities Guarantor (if any) shall have the right to withhold or deduct from any amount payable to the holder of Securities such amount (a) for the payment of any such taxes, duties, charges, withholdings or other payments; or (b) for effecting reimbursement to the Issuer and/or the Securities Guarantor (if any) for any payment by it of any tax, duty, charge, withholding or other payment referred to this General Condition 6.

7. **Prescription**

Claims against the Issuer for payment in respect of the Securities shall be prescribed and become void unless the Global Certificate is presented for payment within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date. "**Relevant Date**" means, in respect of any payment, (a) the date on which such payment first becomes due and payable or (b) if the full amount of moneys payable has not been received by the Fiscal Agent on or prior to such date, the date on which, the full amount of such moneys having been so received, notice to that effect is given to the holders of Securities in accordance with General Condition 13.

8. **Events of Default**

If any one or more of the following events (each an "**Event of Default**") has occurred and is continuing:

- (a) the Issuer or the Securities Guarantor (if any) fails to pay any amount due on the Securities within 30 days after the due date;
- (b) the Issuer or the Securities Guarantor (if any) is (or is determined by law or court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, initiates or becomes subject to proceedings relating to itself under any applicable bankruptcy, liquidation, insolvency, composition administration or insolvency law proposes or makes a stay of execution, 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) its debts; or
- (c) a resolution is passed, or a final order of a court of competent jurisdiction is made, and where not possible, not discharged or stayed within a period of 90 days, that the Issuer or the Securities Guarantor (if any) be wound up or dissolved,

then the holder of any Security may, by notice in writing given to the Fiscal Agent at its specified office, declare such Security immediately due and payable, whereupon such Security shall become redeemable at an amount equal to its Early Payment Amount unless prior to the time when the Fiscal Agent receives such notice all Events of Default have been cured.

9. Meetings of holders of Securities

The Agency Agreement contains provisions for convening meetings of holders of Securities to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Terms and Conditions. Such a meeting may be convened by holders of Securities holding not less than one tenth in nominal amount of the Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing holders of Securities whatever the nominal amount of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (a) to amend any date for payment on the Securities, (b) to reduce or cancel the nominal amount of, or any other amount payable or deliverable on redemption of, the Securities, (c) to reduce the rate or rates of interest in respect of the Securities, (d) to vary any method of, or basis for, calculating any amount payable on the Securities or deliverable in respect of the Securities, (e) to vary the currency or currencies of payment or denomination of the Securities, (f) to take any steps that may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of holders of Securities or the majority required to pass the Extraordinary Resolution in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on holders of Securities (whether or not they were present at the meeting at which such resolution was passed).

The Agency Agreement provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Securities outstanding, who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Agency Agreement (“**Written Resolution**”), or (ii) where the Securities are held by or on behalf of a Clearing Agent or Clearing Agents, approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing Agent(s) in accordance with the operating rules and procedures of the Clearing Agent(s) by or on behalf of the holders of 90 per cent. in nominal amount of Securities outstanding, who for the time being are entitled to receive notice of a meeting in accordance with the provisions herein (“**Electronic Consent**”), shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of holders of Securities duly convened and held. A Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more holders of Securities.

Where Electronic Consent is not being sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely (a) on consent or instructions given in writing (including consent or instructions given in electronic means) directly to the Issuer by accountholders with the Clearing Agent(s) with entitlements to such Securities represented by a Global Certificate and/or (b) where the accountholders hold any such entitlements on behalf of another person, on consent or instructions given in writing (including consent or instructions given in electronic means) directly to the Issuer by the person identified by such accountholder as the person for whom such entitlement is held. For the purposes of establishing the entitlement to give any such consent or instructions, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the Clearing Agent and, in the case of (b) above, the Clearing Agent and the person identified by the relevant Clearing Agent for the purposes of (b) above. Any resolution passed in such manner shall be binding on all holders of Securities, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant Clearing Agent (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Securities is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution and/or Electronic Consent will be binding on all holders of Securities whether or not they participated in such Written Resolution and/or Electronic Consent.

10. Modification

The Issuer and the Securities Guarantor (if any) may modify the Terms and Conditions and the Deed of Covenant (and, together with the other parties thereto, the Agency Agreement) without the consent of any holder of Securities for the purposes of (a) curing any ambiguity or correcting or supplementing any provision contained in them in any manner which the Issuer may deem necessary or desirable provided that such modification is not, in the determination of the Issuer, prejudicial to the interests of the holders of Securities or (b) correcting a manifest error. Notice of any such modification will be given to the holders of Securities in accordance with General Condition 13.

11. Taxation

Neither the Issuer nor the Securities Guarantor (if any) is liable for or otherwise obliged to pay, and the relevant holder of Securities shall pay, any tax, duty, charges, withholding or other payment which may arise as a result of, or in connection with, the ownership, transfer, redemption or enforcement of any Security, including, without limitation, the payment of any amount thereunder. Each of the Issuer and the Securities Guarantor (if any) shall have the right to withhold or deduct from any amount payable to the holder of Securities such amount (a) for the payment of any such taxes, duties, charges, withholdings or other payments or (b) for effecting reimbursement to the Issuer for any payment by it of any tax, duty, charge, withholding or other payment referred to in this General Condition 11.

12. Further Issues

The Issuer may from time to time without the consent of the holders of Securities create and issue further Securities having the same terms and conditions as the Securities (save possibly for the amount and date of the first payment of interest and premium and for the issue price) (so that, for the avoidance of doubt, references in the Terms and Conditions to "Issue Date" shall be to the first issue date of the Securities) and so that the same shall be consolidated and form a single series with such Securities, and references in the Terms and Conditions to "Securities" shall be construed accordingly.

13. Notices

All notices to holders of Securities will be valid if mailed to their registered addresses appearing on the Register. Any such notice shall be deemed to have been delivered on the third day after the day on which it was mailed.

Until such time as any Definitive Certificates are issued, there may, so long as any Global Certificates representing the Securities are held in their entirety on behalf of: (i) the Clearing Agent other than the CMU Service, notices to the holders of the Securities may be given by delivery of the relevant notice to that Clearing Agent for communication by it to the holders of the Securities or by delivery of the relevant notice to the holder of the Global Certificate or (ii) the CMU Service, notices to the holders of the Securities may be given by delivery of the relevant notice to that the persons shown in a CMU Instrument Position Report (as defined in the rules of the CMU Service) issued by the CMU Service on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Certificate. Any such notice shall be deemed to have been given to the holders of the Securities on the day after the day on which the said notice was given to the Clearing Agent.

Notices to be given by any holder of Securities shall be in writing and given by lodging the same, together (in the case of any Security in definitive form) with the relevant Security or Securities, with the Fiscal Agent or the Registrar, as the case may be. Whilst any of the Securities are represented by a Global Certificate, such notice may be given by any holder of a Security to the Fiscal Agent through the Clearing Agent or, in the case of Securities lodged with the CMU Service, by delivery by such holder of such notice to the CMU Lodging and Paying Agent in Hong Kong, as the case may be, in such manner as the Fiscal Agent, the Registrar, the Clearing Agent and/or the CMU Service, as the case may be, may approve for this purpose.

14. Replacement of Securities

If any Security is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and other relevant authority regulations, at the specified office of the Registrar on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Securities subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Security) and otherwise as the Issuer may require. Mutilated or defaced Securities must be surrendered before replacements will be issued.

15. Calculations and Determinations

Where any calculations or determinations are required in the Terms and Conditions to be made by the Issuer, the Issuer may delegate the performance of such determinations and/or calculations to a Calculation Agent on its behalf. In such event, the relevant references to the "Issuer" shall be construed as references to such Calculation Agent.

All calculations and determinations of the Issuer and the Calculation Agent in the Terms and Conditions shall be made in accordance with the terms of the relevant Asset Terms having regard in each case to the criteria stipulated therein (if any) and (where relevant) on the basis of information provided to or obtained by employees or officers of the Issuer or the Calculation Agent (as applicable) responsible for making the relevant calculation or determination.

All calculations and determinations made by the Issuer or the Calculation Agent shall be made in good faith and in a commercially reasonable manner. In the case of each determination under the Terms and Conditions, each of the Issuer and the Calculation Agent shall take into account the effect of such determination on the Securities and consider whether fair treatment is achieved by any such determination in accordance with its applicable regulatory obligations.

All calculations made by the Issuer or the Calculation Agent under the Terms and Conditions shall, in the absence of manifest error, be final, conclusive and binding on holders of Securities.

Neither the Issuer nor the Calculation Agent shall have any responsibility for good faith errors or omissions in its calculations and determinations, whether caused by negligence or otherwise.

Neither the Issuer nor the Calculation Agent assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any holder of Securities. Nothing in the Terms and Conditions shall exclude or restrict any duty or liability of any person under applicable laws and regulations.

16. Definitions

References to "**AUD**" are to Australian dollars, references to "**CAN**" are to Canadian dollars, references to "**EUR**" and "**€**" are to euro, being the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time), references to "**GBP**" and "**£**" are to pounds sterling, references to "**HK\$**" and "**HKD**" are to Hong Kong dollars, references to "**RMB**" are to Renminbi, references to "**JPY**" and "**¥**" are to Japanese yen, references to "**SGD**" are to Singapore dollars, references to "**CHF**" and "**Sfr**" are to Swiss Francs and references to "**USD**" and "**U.S.\$**" are to United States dollars.

"**Aggregate Nominal Amount**" means the aggregate nominal amount of the Securities set out in the relevant Final Terms.

"**Alternate Currency**" means Hong Kong dollars or such other currency (other than United States dollars) that is not subject to any government restrictions on currency exchange as may be determined by the Calculation Agent.

"**Alternate Settlement Rate**" means the spot rate between RMB and the Alternate Currency determined by the Calculation Agent, taking into consideration all available information which the Calculation Agent deems relevant (including, but not limited to, the pricing information obtained from the RMB non-deliverable market outside the PRC and/or the RMB exchange market inside the PRC).

"**Banking Day**" means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in such city.

"**Benchmark**" means a USD Benchmark or a Reference Rate, as the case may be.

"**Business Centre**" means each of the places so specified in the relevant Final Terms.

"**Business Day**" means:

- (i) in the case of a currency other than euro or RMB, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;
- (ii) in the case of euro, a TARGET Business Day;
- (iii) in the case of any sum payable in RMB or a day requiring conversion of any sum in RMB, a day (other than a Saturday or Sunday) on which commercial banks are generally open for business and settlement of RMB payments in Hong Kong and in each Business Centre specified in the applicable Final Terms; or
- (iv) subject to the above, in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Currency Business Day**" means a day which is a Banking Day in the Financial Centre(s) if any (as specified in the relevant Final Terms) and on which (unless the Settlement Currency is euro) commercial banks and foreign exchange markets are generally open to settle payments in the city or cities determined by the Issuer to be the principal financial centre(s) for the Settlement Currency, and if the Settlement Currency is euro, which is also a TARGET Business Day.

"Day Count Fraction" means, in respect of the calculation of an amount of interest and/or premium on any Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period and/or a Premium Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"** or **"Actual/Actual – ISDA"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/365 (Fixed)"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if **"Actual/360"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

"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 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;

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

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

where:

"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 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;

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

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

where:

"**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 Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30;

- (vii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(I) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year; and

(II) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year;

where:

"Determination Date" means each date so specified in the relevant Final Terms or, if none is so specified, each Interest Payment Date and/or Premium Payment Date; and

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"Early Payment Amount" means the fair market value of such Securities immediately prior to such redemption (which may be nil) taking into consideration all information which the Issuer deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption), less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements in relation to such Securities, including any taxes, all as determined by the Issuer in its discretion acting in good faith and in a commercially reasonable manner.

"Extraordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75 per cent. of the votes cast.

"Financial Centre" means, in respect of a currency, the principal financial centre(s) for such currency specified in the relevant Final Terms.

"Interest Amount" means the amount of interest payable in respect of a Security on an Interest Payment Date as specified in the relevant Final Terms or calculated under General Condition 4.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"Interest Payment Date" means each date so specified in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"ISDA Definitions" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

"Issue Date" means the date so specified in the relevant Final Terms.

"Issue Price" means the amount so specified in the relevant Final Terms.

"LIBOR" means London Interbank Offered Rate.

"Maturity Date" has the meaning given to it in the relevant Final Terms.

"Optional Redemption Amount" means the amount so specified in the relevant Final Terms, taking into consideration all information which the Issuer deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption), less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements in relation to such Securities, including any taxes, all as determined by the Issuer in its discretion acting in good faith and in a commercially reasonable manner.

"Optional Redemption Date" means the date so specified in the relevant Final Terms.

"Premium Amount" means the amount of any premium payable in respect of a Security on a Premium Payment Date as specified in the relevant Final Terms or calculated under General Condition 4.

"Premium Commencement Date" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"Premium Payment Date" means each date so specified in the relevant Final Terms.

"Premium Period" means the period beginning on (and including) the Premium Commencement Date and ending on (but excluding) the first Premium Payment Date and each successive period beginning on (and including) a Premium Payment Date and ending on (but excluding) the next succeeding Premium Payment Date.

"Rate of Interest" means the rate of interest payable from time to time in respect of a Security as specified in the relevant Final Terms or calculated under General Condition 4.

"Rate of Premium" means the rate of premium payable from time to time in respect of a Security as specified in the relevant Final Terms.

"Redemption Amount" means, in respect of each Security, its nominal amount, unless otherwise specified in the relevant Final Terms.

"Reference Rate" means, in respect of a Series of Securities, any index, benchmark or price source by reference to which any amount payable under the Securities is determined, provided that for the purposes of APPENDIX 4 (*General Reference Rate Event Provisions*), shall exclude USD Benchmark. To the extent that a Replacement Reference Rate is determined to be used in respect of a Series, such Replacement Reference Rate shall be a "Reference Rate" for that Series during the period in which it is used.

"Register" means the register of the holders of the Securities maintained by the Registrar.

"Regulatory Event" means that:

- (i) the Issuer or any of its affiliates has become subject to less favourable capital adequacy treatment with respect to the Securities when compared as of the Trade Date to any date thereafter until the Maturity Date;
- (ii) the Issuer or any of its or affiliates suffer or will suffer any increased costs in connection with the Securities, including of any costs associated with hedging the Securities or costs in maintaining any applicable capital reserves in respect of the Securities or has become regulated by any additional jurisdiction or regulatory authority or subject to any additional legal requirement or regulation considered by the Issuer to be materially onerous to it in connection with the Securities when compared as of the Trade Date to any date thereafter until the Maturity Date; or
- (iii) the Issuer would be materially restricted from performing any of its obligations under the Securities,

as a result of an enactment of or supplement or amendment to, or a change in law by a relevant governmental authority or change in policy or interpretation, implementation or application of any relevant laws or regulations by any governmental authority.

"RMB Disruption Event" means the occurrence of RMB Illiquidity, RMB Inconvertibility and/or RMB Non-transferability.

"RMB Illiquidity" means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient RMB in order to satisfy its obligation to make a payment in respect of the Securities.

"RMB Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer to convert into RMB any amount due in respect of the Securities into RMB on any Interest Payment Date, Maturity Date or other payment date in the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any governmental authority (unless such law, rule or regulation is enacted after the Issue Date

of the relevant series and it is impossible for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

“RMB Non-transferability” means the occurrence of any event that makes it impossible for the Issuer to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside the PRC and Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any governmental authority (unless such law, rule or regulation is enacted after the Issue Date of the relevant series and it is impossible for the Issuer due to an event beyond its control, to comply with such law, rule or regulation).

“RMB/USD Spot Rate” means the spot RMB/U.S.\$ exchange rate for the purchase of U.S. dollars with RMB as specified in the applicable Final Terms.

“Settlement Currency” means the currency in which a payment is to be made.

“TARGET Business Day” means a day on which the TARGET2 System or any successor thereto is operating, where **“TARGET2 System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

“Tax Event” means the change in, or amendment to, the laws or regulations of a Tax Jurisdiction, or any change in application or official interpretation of such laws or regulations, which results in any present or future taxes, duties or governmental charges of any nature whatsoever being imposed on payments in respect of the Securities.

“Tax Jurisdiction” means Hong Kong and any political subdivision or any authority thereof or therein having power to tax.

“U.S. Dollar Equivalent” means, in respect of an amount in RMB, such RMB amount converted into U.S. dollars using the RMB/USD Spot Rate for the relevant day which is two Business Days before the due date of such RMB amount under the Securities.

17. **Governing Law and Jurisdiction**

The Securities are governed by, and shall be construed in accordance with, Hong Kong law.

The Issuer irrevocably agrees for the benefit of the holders of Securities that the courts of Hong Kong are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities and accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as **“Proceedings”**) may be brought in such courts.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of Hong Kong and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of Hong Kong shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction. Nothing in this General Condition 17 shall limit any right to take Proceedings against the Issuer or in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer appoints the Securities Guarantor as its agent for service of process in Hong Kong in respect of any Proceedings against the Issuer.

ASSET TERMS AND CONDITIONS

ASSET TERMS AND CONDITIONS FOR EQUITY-LINKED SECURITIES

Application: the following terms shall apply to Securities if stated in the relevant Final Terms to be "Equity-linked". In the event of any inconsistency between the General Conditions, these Asset Terms (if applicable) and the relevant Final Terms, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the relevant Final Terms;
- (b) these Asset Terms (if applicable); and
- (c) the General Conditions.

1. Definitions

"Additional Disruption Event" means a Change in Law, an FX Disruption, Failure to Deliver due to Illiquidity, an Insolvency Filing, a Hedging Disruption, an Increased Cost of Hedging, a Loss of Stock Borrow and/or an Increased Cost of Stock Borrow, as specified to be applicable in the relevant Final Terms.

"Announcement Date" means, in respect of (a) a Merger Event, the date of the first public announcement of a firm intention to engage in a transaction (whether or not subsequently amended) that leads to the Merger Event, (b) a Tender Offer, the date of the first public announcement of a firm intention to purchase or otherwise obtain the requisite number of voting shares (whether or not subsequently amended) that leads to the Tender Offer, (c) a Nationalisation, the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation, (d) an Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency, and (e) a Delisting, the date of the first public announcement by the Exchange that the Shares will cease to be listed, traded or publicly quoted in the manner described in the definition of Delisting. In respect of any Extraordinary Event, if the announcement of such Extraordinary Event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular trading session hours, the Announcement Date shall be deemed to be the next following Scheduled Trading Day.

"Averaging Date" means:

- (a) in respect of Securities relating to a single Share, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of Securities relating to a Share Basket where:
 - (A) "Whole Basket Postponement" is specified to be applicable to "Averaging Dates" in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day for any Share in the Share Basket, the next following Scheduled Trading Day for all Shares in the Share Basket; or
 - (B) "Affected Postponement Only" is specified to be applicable to "Averaging Dates" in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms in respect of a Share in such Share Basket, or if such date is not a Scheduled Trading Day for such Share, the next following Scheduled Trading Day for such Share.

"Cash Settlement" means, if so specified in the relevant Final Terms, the payment of the Instalment Amount or Redemption Amount pursuant to Asset Term 5.

"Cash Settlement Option Notice" means a notice from the Issuer to the relevant holder of Securities confirming that the option for Cash Settlement is exercised by the Issuer pursuant to Asset Term 5(b).

"Change in Law" means that, on or after the Trade Date of the relevant Securities, due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (A) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to such Securities, or (B) it will incur a materially increased cost in performing its obligations with respect to such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements.

"Common Valid Date" means, in respect of a Share Basket, a Scheduled Trading Day for each Share in such Share Basket that is not a Disrupted Day for any Share in such Share Basket and on which another Averaging Date does not occur or is not deemed to occur.

"Delisting" means, in respect of any Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, the Share ceases (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 is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange.

"Delivery Day" means a day on which Shares comprised in the Share Amount(s) may be delivered to holders of Securities in the manner which the Issuer has determined to be appropriate.

"Delivery Notice" means a notice as referred to in Asset Term 6(b).

"Disruption Cash Settlement Price" means in respect of each Security, an amount in the Settlement Currency equal to the fair market value of the undelivered portion of the Share Amount (taking into account, where the Settlement Disruption Event affected some but not all of the Shares comprising the Share Amount and such non-affected Shares have been duly delivered, the value of such Shares), less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, including any taxes, all as determined by the Issuer.

"Disrupted Day" means, in respect of a Share, any Scheduled Trading Day on which (a) the Exchange fails to open for trading during its regular trading session, (b) any Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred.

"Early Closure" means, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange 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, the exchange or quotation system so specified in the relevant Final Terms or such other exchange or quotation system on which such Share is, in the determination of the Issuer, traded or quoted as the Issuer may (acting in good faith and in a commercially reasonable manner) select and notify to holders of Securities in accordance with General Condition 13 or (in any such case) any transferee or successor exchange.

"Exchange Business Day" means, in respect of a Share, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Issuer) the ability of market participants in general (a) to effect transactions in, or obtain market values for, such Share on the Exchange, or (b) to effect transactions in, or obtain market values for, futures or options relating to such Share on any relevant Related Exchange.

“Exchange Rate” means, where the Reference Currency is different from the Settlement Currency, the rate specified as such in the Final Terms.

"Extraordinary Dividend" means, in respect of a Share, any dividend or portion thereof which is determined by the Issuer to be an Extraordinary Dividend.

"Extraordinary Event" means, in respect of a Share, a Merger Event, a Tender Offer, a Nationalisation, a Delisting or an Insolvency.

"Failure to Deliver Cash Settlement Price" means in respect of each Security, an amount in the Settlement Currency equal to the fair market value of the undelivered portion of the Share Amount (taking into account, where the Failure to Deliver due to Illiquidity affects some but not all of the Shares comprising the Share Amount and such non-affected Shares have been duly delivered, the value of such Shares), less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, including any taxes, all as determined by the Issuer.

“Failure to Deliver due to Illiquidity” means, in the case where the relevant Final Terms provides that “Physical Settlement” is applicable, a failure to deliver, when due, the Share Amount due to illiquidity in the market for all or such Share Amount.

"Final Share Price" has the meaning provided in the relevant Final Terms, subject to Asset Term 2.

"Fractional Cash Amount" means, in respect of each Security, unless otherwise provided in the relevant Final Terms, the amount in the Settlement Currency (rounded to the nearest smallest transferable unit of such currency, half such a unit being rounded upwards) calculated by the Issuer in accordance with the following formula:

$$\text{Final Share Price} \times \text{Fractional Share Amount} \\ \text{(converted into the Settlement Currency at the Exchange Rate)}$$

"Fractional Share Amount" means, unless otherwise provided in the relevant Final Terms:

- (a) in the case where single Shares are determined to be delivered, any fractional interest in such Shares forming part of the Ratio that is less than an integral number of such Shares, or
- (b) in the case where the Share Basket is determined to be delivered, any interest in the Share Basket forming part of the Ratio that is less than the integral number of Share Basket and such integral number of Share Basket consists of any fractional interest in any single Shares that is less than the integral number of such Shares.

"FX Disruption" means the occurrence of any event after the Trade Date of the relevant Securities that makes the Issuer and/or its affiliates unable, after using commercially reasonable efforts, to:

- (a) transfer through customary legal channels any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge from accounts (i) within the Local Jurisdiction to (A) accounts outside such Local Jurisdiction, (B) other accounts within such Local Jurisdiction, or (C) the accounts of a non-resident of such Local Jurisdiction, or (ii) outside the Local Jurisdiction to accounts within such Local Jurisdiction;
- (b) convert through customary legal channels any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge into any other Relevant Currency, where such conversion is at a rate at least as favourable as the rate for domestic institutions located in the Local Jurisdiction; or
- (c) obtain a rate or a commercially reasonable rate (as determined by the Issuer), in each case, at which any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge can be exchanged for any other Relevant Currency.

"FX Disruption Hedge" means, in respect of the Issuer and/or its affiliates, any transaction(s) or asset(s) that the Issuer and/or its affiliates deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the foreign exchange or currency risk) of entering into and performing its obligations with respect to the Securities.

"Hedge Positions" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions, or (c) other instruments or arrangements (howsoever described) by the Issuer and/or its affiliates in order to hedge, individually or on a portfolio basis, the risk of entering into and performing its obligations with respect to the Securities.

"Hedge Proceeds" means the cash amount in the Settlement Currency and/or U.S. dollars and/or euro and/or any other freely transferrable currency (as solely determined by the Issuer) constituting the proceeds received or to be received by the Issuer and/or its affiliates in respect of any Hedging Arrangements; for the avoidance of doubt, Hedge Proceeds shall not be less than zero.

"Hedging Arrangements" means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the purchase and/or sale of any securities, any options or futures on such securities, any depositary receipts in respect of such securities and any associated foreign exchange transactions.

"Hedging Disruption" means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price or any other relevant risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Hedging Shares" means the number of Shares that the Issuer (and/or its affiliates) deems it necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Securities.

"Increased Cost of Hedging" means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Stock Borrow" means that the Issuer and/or its affiliates would incur a rate to borrow Shares with respect to the Securities that is greater than the Initial Stock Loan Rate.

"Initial Stock Loan Rate" means the stock loan rate so specified in the relevant Final Terms.

"Insolvency" means, by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or analogous proceedings affecting a Share Issuer (a) all the Shares of such Share Issuer are required to be transferred to any trustee, liquidator or other similar official, or (b) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

"Insolvency Filing" means, in respect of a Share, that the Issuer determines that the relevant Share Issuer has instituted, or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the relevant Share Issuer shall not be an Insolvency Filing.

"Jurisdictional Event" means, in respect of any Shares (a) any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the

Jurisdictional Event Jurisdiction including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including without limitation those relating to taxation) and other legal and/or sovereign risks, or (b) the Issuer (acting in good faith and in a commercially reasonable manner) determines that it and/or any affiliate is not able to buy and/or sell such Shares with or for a currency acceptable to the Issuer on the relevant Exchange or the relevant Exchange fails to calculate and publish the equivalent, in a currency acceptable to the Issuer, of the Share Price of such Shares on a day on which the Issuer determines that such calculation and publication was otherwise expected to be made and in the case of (a) and (b) which has or may have (as determined in the discretion of the Issuer, acting in good faith and in a commercially reasonable manner) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

"Jurisdictional Event Jurisdiction" means each country so specified in the relevant Final Terms.

"Local Jurisdiction" means, in respect of a Share, the jurisdiction in which the Exchange for such Share is located.

"Loss of Stock Borrow" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) Shares with respect to the Securities in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Market Disruption Event" means, in respect of a Share, the occurrence or existence on any Scheduled Trading Day of a Trading Disruption or an Exchange Disruption which in either case the Issuer determines is material, at any time during the one hour period that ends at the relevant Valuation Time or an Early Closure.

"Maximum Stock Loan Rate" means the stock loan rate so specified in the relevant Final Terms.

"Merger Event" means, in respect of any Shares, any (a) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding, to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the relevant Share Issuer is the continuing entity and which does not result in 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 relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event.

"Nationalisation" means that all the Shares of a Share Issuer or all the assets or substantially all the assets of such Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality.

"Observation Date" means each date so specified in the relevant Final Terms, provided that if "Observation Date subject to Averaging Date or Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of Asset Term 2 shall apply to such date as if it were an Averaging Date or a Valuation Date, as the case may be.

"Observation Period" means the period so specified in the relevant Final Terms.

"Physical Settlement" means, if so specified in the relevant Final Terms, the delivery of the relevant Share Amount pursuant to Asset Term 6.

"Potential Adjustment Event" means with respect to any Share Issuer, any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or a free distribution or dividend of any 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 such Share Issuer 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 such Share Issuer 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 (cash or other consideration) at less than the prevailing market price as determined by the Issuer;
- (c) the declaration or payment of an Extraordinary Dividend;
- (d) a call by it in respect of Shares that are not fully paid;
- (e) a repurchase by it or any of its subsidiaries of its Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) 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 the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Issuer, 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 a diluting or concentrating effect on the theoretical value of the relevant Shares.

"Presentation Date" means the latest date prior to the Maturity Date by which the Issuer determines that a Delivery Notice must have been delivered by the holder of Securities in order for the Issuer, in accordance with its administrative practices, to deliver the relevant Share Amounts on the Share Delivery Date.

"Presentation Date Notice Period" means the period so specified in the relevant Final Terms.

"Ratio" means, in respect of each nominal amount of the Securities equal to the Specified Denomination, subject to these Asset Terms and unless otherwise provided in the relevant Final Terms, the number of Shares or Share Basket (as the case may be) so specified in the relevant Final Terms, or if the number of Shares or Share Basket (as the case may be) is not so specified, the number of Shares or Share Basket calculated by the Issuer in accordance with the following formulae:

$$\text{Specified Denomination} \div \text{Strike Price} \\ \text{(converted into the Settlement Currency at the Exchange Rate)}$$

"Reference Currency" means, in respect of a Share, the currency in which such Share is denominated, as specified in the Final Terms.

"Related Exchange(s)" means, in respect of a Share, each exchange or quotation system so specified in the relevant 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 Issuer 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, however, that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Issuer) on the overall market for futures or options contracts relating to such Share.

"Relevant Currency" means any of the Settlement Currency or the Reference Currency.

"Scheduled Averaging Date" means an original date that, but for such day being a Disrupted Day, would have been an Averaging Date.

"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 the regular trading session hours.

"Scheduled Trading Day" means, in respect of a Share, any day on which each Exchange and each Related Exchange for such Share are scheduled to be open for trading for their respective regular trading sessions.

"Scheduled Valuation Date" means an original date that, but for such day being a Disrupted Day, would have been a Valuation Date.

"Settlement Disruption Event" means an event determined by the Issuer to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws or regulations for the Issuer to transfer) Shares comprised in the Share Amount(s) in accordance with Asset Term 7(b).

"Share" means, subject to Asset Term 2, each share specified in the relevant Final Terms.

"Share Amount" means, subject as provided in Asset Term 7 and unless otherwise provided in the relevant Final Terms, in respect of each Security, the number of Shares or Share Basket (as the case may be) equal to the Ratio rounded down to the nearest integral number of Shares or Share Basket (as the case may be). For the avoidance of doubt, the Share Amount will be calculated on the basis of each Security and fractional Shares in respect of more than one Security will not be aggregated before rounding down to the nearest integral number of Shares.

"Share Basket" means a basket composed of Shares in the relative proportions or numbers of Shares.

"Share Delivery Date" means, in respect of a Share, subject as provided in Asset Term 7(b) and unless otherwise provided in the relevant Final Terms, the Maturity Date or, if such day is not a Delivery Day, the first succeeding Delivery Day.

"Share Issuer" is, subject to Asset Term 2, as specified in the relevant Final Terms.

"Share Price" means on any relevant day, subject as provided in Asset Term 2, the price of the relevant Share quoted on the relevant Exchange as determined by the Issuer as at the Valuation Time on such day.

"Share Return" means, in respect of each Security, an amount equal to the Final Share Price divided by the Strike Price.

"Strike Price" means:

- (a) in respect of a single Share or a Share in the Share Basket, the price of such Share; or
- (b) in respect of a Share Basket, the price of such Share Basket,

as specified in the relevant Final Terms.

"Tender Offer" means, in respect of any Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, more than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant Share Issuer, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems in its determination relevant.

"Trade Date" means the date so specified in the relevant Final Terms.

"Trading Disruption" means, in respect of a Share, any suspension of or limitation imposed on trading (a) 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, or (b) in futures or options contracts relating to the Share.

"Valid Date" means, in respect of a Share, a Scheduled Trading Day for such Share that is not a Disrupted Day for such Share and on which another Averaging Date does not occur or is not deemed to occur.

"Valuation Date" means:

- (a) in respect of Securities relating to a single Share, subject as provided in Asset Term 2, the date(s) so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of Securities relating to a Share Basket where:
 - (i) "Whole Basket Postponement" is specified to be applicable to "Valuation Date(s)" in the relevant Final Terms, subject as provided in Asset Term 2, the date(s) so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day for any Share in the Share Basket, the next following Scheduled Trading Day for all Shares in the Share Basket; or
 - (ii) "Affected Postponement Only" is specified to be applicable to "Valuation Date(s)" in the relevant Final Terms, subject as provided in Asset Term 2, the date(s) so specified in the relevant Final Terms in respect of a Share in such Share Basket, or if such date is not a Scheduled Trading Day for such Share, the next following Scheduled Trading Day for such Share.

"Valuation Time" means, in respect of a Share, the time so specified in the relevant Final Terms or, if no such time is specified the Scheduled Closing Time on the relevant Exchange in relation to that Share. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

"Weighting" means in respect of each Share in the Share Basket, a percentage number specified as such in the relevant Final Terms.

"Worst Performing Share" means the Share with the lowest Share Return, provided that if two or more Shares have the same lowest Share Return, then the Issuer shall determine, in its discretion, which Share shall be the Worst Performing Share and such Share shall be deemed to be the Worst Performing Share.

2. **Disrupted Days and Other Adjustments**

2.1 **Consequences of Disrupted Days**

(a) **Single Share and Valuation Date(s)**

Where the Securities relate to a single Share, unless otherwise specified in the relevant Final Terms, if the Issuer determines that any Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the eight consecutive Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case:

- (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and

- (ii) the Issuer shall determine its good faith estimate of the value for the Share as of the Valuation Time on that eighth Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Share Price in respect of the Valuation Date.

(b) **Single Share and Averaging Dates**

Where the Securities relate to a single Share, unless otherwise specified in the relevant Final Terms, if the Issuer determines that any Averaging Date is a Disrupted Day and, in the relevant Final Terms, the consequence specified for such Averaging Date is:

- (i) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date, provided that, if through the operation of this provision there would be no Averaging Dates then the sole Averaging Date shall be the first succeeding Scheduled Trading Day following the final Scheduled Averaging Date that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the eight consecutive Scheduled Trading Days immediately following such final Scheduled Averaging Date is a Disrupted Day. In that case:
 - (A) that eighth Scheduled Trading Day shall be deemed to be the sole Averaging Date, notwithstanding the fact that such day is a Disrupted Day; and
 - (B) the Issuer shall determine its good faith estimate of the value for the Share as of the Valuation Time on that eighth Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (b) shall be deemed to be the Share Price in respect of the sole Averaging Date;
- (ii) "**Postponement**", then the relevant Averaging Date shall be the first succeeding Scheduled Trading Day following such Scheduled Averaging Date that the Issuer determines is not a Disrupted Day (irrespective of whether that deferred Averaging Date is already or is deemed to be another Averaging Date), unless the Issuer determines that each of the eight consecutive Scheduled Trading Days immediately following such Scheduled Averaging Date is a Disrupted Day. In that case:
 - (A) that eighth Scheduled Trading Day shall be deemed to be the relevant Averaging Date (irrespective of whether such day is already or is deemed to be another Averaging Date or is a Disrupted Day); and
 - (B) the Issuer shall determine its good faith estimate of the value for the Share as of the Valuation Time on that eighth Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (b) shall be deemed to be the Share Price in respect of the relevant Averaging Date; or
- (iii) "**Modified Postponement**", then the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the final Scheduled Averaging Date, then:
 - (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such day is already or is deemed to be another Averaging Date or is a Disrupted Day); and
 - (B) the Issuer shall determine its good faith estimate of the value for the Share as of the Valuation Time on that eighth Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (b) shall be deemed to be the Share Price in respect of the relevant Averaging Date.

If the Issuer determines that any Averaging Date is a Disrupted Day and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(c) **Share Basket and Valuation Date(s) – Affected Postponement Only**

Where the Securities relate to a Share Basket and unless otherwise specified in the relevant Final Terms, if the relevant Final Terms specifies that "Share Basket and Valuation Date(s) – Affected Postponement Only" applies to the Share Basket and any Valuation Date, then if the Issuer determines that any Valuation Date is a Disrupted Day for any Share in the Share Basket, then such Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and such Valuation Date for each Share affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day for such Share that the Issuer determines is not a Disrupted Day relating to such Share (irrespective of whether that deferred Valuation Date is already or is deemed to be another Valuation Date for such Share or another Share), unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for such Share immediately following such Scheduled Valuation Date is a Disrupted Day relating to that Share. In that case:

- (i) that eighth Scheduled Trading Day for such Share shall be deemed to be the Valuation Date for such Share (irrespective of whether that such day is already or is deemed to be another Valuation Date for such Share or another Share, notwithstanding the fact that such day is a Disrupted Day for such Share; and
- (ii) the Issuer shall determine its good faith estimate of the value for such Share as of the Valuation Time on that eighth Scheduled Trading Day for such Share, and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Share Price in respect of the Valuation Date for such Share.

(d) **Share Basket and Valuation Date(s) – Whole Basket Postponement**

Where the Securities relate to a Share Basket and unless otherwise specified in the relevant Final Terms, if the relevant Final Terms specifies that "Share Basket and Valuation Date(s) – Whole Basket Postponement" applies to the Share Basket and any Valuation Date, then if the Issuer determines that any Valuation Date is a Disrupted Day for any Share in the Share Basket, then such Valuation Date for each Share in the Share Basket shall be the first succeeding Scheduled Trading Day for each Share in the Share Basket which the Issuer determines is not a Disrupted Day for any Share in the Share Basket, unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for each Share in the Share Basket immediately following such Scheduled Valuation Date is a Disrupted Day for any Share in the Share Basket. In that case:

- (i) that eighth Scheduled Trading Day for each Share in the Share Basket shall be deemed to be the Valuation Date for each Share, notwithstanding the fact that such day is a Disrupted Day for one or more Shares in the Share Basket (each such Share being an "**Affected Basket Share**" for such Valuation Date);
- (ii) for each Share in the Share Basket other than an Affected Basket Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on that eighth Scheduled Trading Day for each Share in the Share Basket; and
- (iii) for each Affected Basket Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket Share as of the Valuation Time on that eighth Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (iii) shall be deemed to be the Share Price in respect of the Valuation Date for such Affected Basket Share.

(e) **Share Basket and Averaging Dates – Affected Postponement Only**

Where the Securities relate to a Share Basket and unless otherwise specified in the relevant Final Terms, if the relevant Final Terms specifies that "Share Basket and Averaging Dates – Affected Postponement Only" applies to the Share Basket and any Averaging Date and if the Issuer determines that any Averaging Date is a Disrupted Day in respect of any Share in the Share Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for each Share in the Share Basket, provided that, if through the operation of this provision there would be no Averaging Dates, then:
 - (A) for each Share in the Share Basket for which the Issuer determines that the final Scheduled Averaging Date is not a Disrupted Day, the sole Averaging Date for such Share shall be the final Scheduled Averaging Date; and
 - (B) for each Share in the Share Basket for which the Issuer determines that the final Scheduled Averaging Date is a Disrupted Day, then the sole Averaging Date for such Share shall be the first succeeding Scheduled Trading Day for such Share following the final Scheduled Averaging Date that the Issuer determines is not a Disrupted Day relating to such Share, unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for such Share immediately following the final Scheduled Averaging Date is a Disrupted Day relating to that Share. In that case:
 - (I) that eighth Scheduled Trading Day for such Share shall be deemed to be the sole Averaging Date for such Share, notwithstanding the fact that such day is a Disrupted Day for such Share; and
 - (II) the Issuer shall determine its good faith estimate of the value for such Share as of the Valuation Time on that eighth Scheduled Trading Day for such Share, and such determination by the Issuer pursuant to this paragraph (II) shall be deemed to be the Share Price in respect of the sole Averaging Date for such Share;
- (ii) "**Postponement**", then for each Share in the Share Basket for which the Issuer determines that such Averaging Date is a Disrupted Day, the Averaging Date for such Share shall be the first succeeding Scheduled Trading Day for such Share that the Issuer determines is not a Disrupted Day relating to that Share (irrespective of whether that deferred Averaging Date is already or is deemed to be another Averaging Date for such Share), unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for such Share immediately following such Scheduled Averaging Date is a Disrupted Day relating to such Share. In that case:
 - (A) the eighth Scheduled Trading Day for such Share shall be deemed to be the Averaging Date for such Share (irrespective of whether that eighth Scheduled Trading Day for such Share is already or is deemed to be another Averaging Date or is a Disrupted Day for such Share); and
 - (B) the Issuer shall determine its good faith estimate of the value for such Share as of the Valuation Time on that eighth Scheduled Trading Day for such Share, and such determination by the Issuer pursuant to this paragraph (b) shall be deemed to be the Share Price in respect of the relevant Averaging Date for such Share; or
- (iii) "**Modified Postponement**", then for each Share in the Share Basket for which the Issuer determines that such Scheduled Averaging Date is a Disrupted Day, the Averaging Date for such Share shall be the first succeeding Valid Date relating to that Share. If the first succeeding Valid Date has not occurred as of the relevant Valuation Time on the eighth Scheduled Trading Day for such Share immediately following the final Scheduled Averaging Date, then:
 - (A) that eighth Scheduled Trading Day for such Share shall be deemed to be the Averaging Date for such Share (irrespective of whether that eighth Scheduled Trading Day for such Share is already or is deemed to be another Averaging Date or is a Disrupted Day for such Share); and
 - (B) the Issuer shall determine its good faith estimate of the value for such Share as of the Valuation Time on that eighth Scheduled Trading Day for such Share, and such determination by the Issuer pursuant to this paragraph (b) shall be deemed to be the Share Price in respect of the relevant Averaging Date for such Share.

If the Issuer determines that any Averaging Date is a Disrupted Day for any Share in the Share Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(f) **Share Basket and Averaging Dates – Whole Basket Postponement**

Where the Securities relate to a Share Basket and unless otherwise specified in the relevant Final Terms, if the relevant Final Terms specifies that "Share Basket and Averaging Dates – Whole Basket Postponement" applies to the Share Basket and an Averaging Date, then if the Issuer determines that any Averaging Date is a Disrupted Day in respect of any Share in the Share Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) **"Omission"**, then such Averaging Date will be deemed not to be a relevant Averaging Date for each Share in the Share Basket, provided that, if through the operation of this provision there would be no Averaging Dates, then the sole Averaging Date for each Share in the Share Basket shall be the first succeeding Scheduled Trading Day for each Share in the Share Basket following the final Scheduled Averaging Date that the Issuer determines is not a Disrupted Day for any Share in the Share Basket, unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for each Share in the Share Basket immediately following the final Scheduled Averaging Date is a Disrupted Day relating to one or more Shares in the Share Basket. In that case:
 - (A) that eighth Scheduled Trading Day for each Share in the Share Basket shall be deemed to be the sole Averaging Date for each Share in the Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Shares in the Share Basket (each such Share being an **"Affected Basket Share"** for such sole Averaging Date);
 - (B) for each Share in the Share Basket other than an Affected Basket Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on that eighth Scheduled Trading Day for each Share in the Share Basket; and
 - (C) for each Affected Basket Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket Share as of the Valuation Time on that eighth Scheduled Trading Day for each Share in the Share Basket, and such determination by the Issuer pursuant to this paragraph (c) shall be deemed to be the Share Price in respect of the sole Averaging Date for such Affected Basket Share;
- (ii) **"Postponement"**, then the Averaging Date for each Share in the Share Basket shall be the first succeeding Scheduled Trading Day for each Share in the Share Basket which the Issuer determines is not a Disrupted Day for any Share in the Share Basket (irrespective of whether that deferred Averaging Date is already or is deemed to be another Averaging Date), unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for each Share in the Share Basket immediately following such Scheduled Averaging Date is a Disrupted Day relating to one or more Shares in the Share Basket. In that case:
 - (A) that eighth Scheduled Trading Day for each Share in the Share Basket shall be deemed to be the Averaging Date for each Share in the Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Shares in the Share Basket (each such Share being an **"Affected Basket Share"** for such Averaging Date);
 - (B) for each Share in the Share Basket other than an Affected Basket Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on that eighth Scheduled Trading Day for each Share in the Share Basket; and
 - (C) for each Affected Basket Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket Share as of the Valuation Time on that eighth Scheduled Trading Day for each Share in the Share Basket, and such determination by the Issuer

pursuant to this paragraph (c) shall be deemed to be the Share Price in respect of the relevant Averaging Date for such Affected Basket Share; or

- (iii) "**Modified Postponement**", then the Averaging Date for each Share in the Share Basket shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of the relevant Valuation Time on the eighth Scheduled Trading Day for each Share in the Share Basket immediately following the final Scheduled Averaging Date, then:
 - (A) that eighth Scheduled Trading Day for each Share in the Share Basket shall be deemed to be the Averaging Date for each Share in the Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Shares in the Share Basket (each such Share being an "**Affected Basket Share**" for such Averaging Date);
 - (B) for each Share in the Share Basket other than an Affected Basket Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on that eighth Scheduled Trading Day for each Share in the Share Basket; and
 - (C) for each Affected Basket Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket Share as of the Valuation Time on that eighth Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (c) shall be deemed to be the Share Price in respect of the relevant Averaging Date for such Affected Basket Share.

If the Issuer determines that any Averaging Date is a Disrupted Day for any Share in the Share Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

2.2 Consequences of Potential Adjustment Events

- (a) If the Issuer determines that a Potential Adjustment Event has occurred in respect of a Share, the Issuer will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, the Issuer will (i) make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities as the Issuer determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share), and (ii) determine the effective date(s) of the adjustment(s). The Issuer may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on such options exchange.
- (b) Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the holders of Securities in accordance with General Condition 13 stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Potential Adjustment Event, provided that any failure to give such notice shall not affect the validity of the Potential Adjustment Event or any action taken.

2.3 Consequences of Extraordinary Events

If the Issuer determines that an Extraordinary Event has occurred in respect of a Share then, on or after the relevant Announcement Date, the Issuer may in its discretion (acting in good faith and in a commercially reasonable manner) either:

- (a) (i) make such adjustment to the exercise, settlement, payment or any other terms of the Securities as the Issuer determines appropriate to account for the economic effect on the Securities of such Extraordinary Event (which may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities), which may, but need not, be determined by reference to

the adjustment(s) made in respect of such Extraordinary Event by an options exchange to options on the relevant Shares traded on such options exchange; and

- (ii) determine the effective date of that adjustment; or
- (b) if "Share Substitution" is specified as being applicable in the relevant Final Terms, then the Issuer may, acting in good faith and in a commercially reasonable manner, select a new underlying share (in respect of the relevant Extraordinary Event, the "**Replacement Share**"), which Replacement Share will be deemed to be a Share in place of the Share which has been replaced by the Issuer following such Extraordinary Event (and the Share Issuer of the Replacement Share will replace the Share Issuer of the replaced Share), and the Issuer may make such adjustment to the exercise, settlement, payment or any other terms of the Securities as the Issuer determines appropriate to account for the economic effect on the Securities of the Extraordinary Event and/or the replacement of the replaced Share by the Replacement Share (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities). Any Replacement Share will, to the extent practicable, be selected from the same economic sector, have shares denominated in the same currency and have a similar market capitalisation to the relevant replaced Share; and
- (c) upon making any such adjustment under this Asset Term 2.3, the Issuer shall give notice as soon as practicable to the holders of Securities in accordance with General Condition 13 stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Extraordinary Event, provided that any failure to give such notice shall not affect the validity of the Extraordinary Event or any action taken. If the Issuer determines that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to holders of Securities in accordance with General Condition 13, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each holder of Securities in respect of each Security held by it an amount equal to the Early Payment Amount on such day falling on or after the relevant Announcement Date, as the Issuer shall select in its sole and absolute discretion.

2.4 Consequences of Additional Disruption Events

- (a) If the Issuer determines that an Additional Disruption Event (if specified as being applicable in the relevant Final Terms) other than a Failure to Deliver due to Illiquidity has occurred, then the Issuer may (but need not) determine the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic effect of such Additional Disruption Event on the Securities (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities), and determine the effective date of that adjustment.
- (b) Upon making any such adjustment under this Asset Term 2.4, the Issuer shall give notice as soon as practicable to the holders of Securities in accordance with General Condition 13 stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Additional Disruption Event, provided that any failure to give such notice shall not affect the validity of the Additional Disruption Event or any action taken. If the Issuer determines that that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to holders of Securities in accordance with General Condition 13, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each holder of Securities in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.
- (c) If the Issuer determines that a Failure to Deliver due to Illiquidity has occurred:
 - (A) any Shares which are not affected by such Failure to Deliver due to Illiquidity will be delivered on the originally designated Share Delivery Date; and

- (B) in respect of any Shares which are affected by such Failure to Deliver due to Illiquidity, in lieu of Physical Settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations under the Securities by payment to the relevant holder of Securities of the Failure to Deliver Cash Settlement Price on the third Business Day following the date that notice of such election is given to the holders of Securities in accordance with General Condition 13. The Issuer shall give notice as soon as practicable to the holders of Securities in accordance with General Condition 13 stating the Failure to Deliver Cash Settlement Price and the amount payable to the holders of Securities under the Securities.

3. Adjustment in respect of Jurisdictional Event

- (a) If the relevant Final Terms specifies in relation to a Share that Jurisdictional Event shall apply and, in the determination of the Issuer, a Jurisdictional Event occurs, the Issuer may make such downward adjustment to any amount otherwise payable under the Securities as it shall determine in its discretion, acting in good faith and in a commercially reasonable manner, to take account of the effect of such Jurisdictional Event on any Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions would otherwise be the amount so payable. The Issuer will use commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines, in its sole and absolute discretion, to be commercially impracticable. The Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations.
- (b) Upon making any such adjustment under this Asset Term 3, the Issuer shall give notice as soon as practicable to the holders of Securities in accordance with General Condition 13 stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Jurisdictional Event, provided that any failure to give such notice shall not affect the validity of the Jurisdictional Event or any action taken.

4. Correction of prices

In the event that any relevant price of a Share published on the Exchange on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the Exchange by the second Business Day prior to the next date on which any relevant payment or delivery may have to be made by the Issuer or in respect of which any relevant determination in respect of the Securities may have to be made, then the Issuer may determine the amount that is payable or deliverable or make any determination, acting in good faith and in a commercially reasonable manner, in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

5. Cash Settlement

- (a) Where the relevant Final Terms provides that “Cash Settlement” is applicable then, unless the Securities have been previously redeemed or purchased and cancelled in accordance with the Conditions, each Security shall be:
- (I) partially redeemed by payment by the Issuer of the Instalment Amount(s) in cash on the Instalment Date(s) as specified in the relevant Final Terms; and/or
 - (II) redeemed by payment by the Issuer of the Redemption Amount on the Maturity Date as specified in the relevant Final Terms.
- (b) Where the relevant Final Terms specifies that the “Cash Settlement Option” is applicable, redemption is determined to be by way of Physical Settlement and a valid Cash Settlement Option Notice has been delivered, in lieu of paying the Share Amount, the Issuer shall discharge its payment obligations by payment of an amount equal to the product of the Share Amount and the Final Share Price.

In such case, the Issuer must deliver the Cash Settlement Option Notice to the relevant holder of Securities on or prior to the Business Day that is at least a number of Business Days prior to the Presentation Date equal to

the Presentation Date Notice Period, to give notice to the holders of Securities in accordance with General Condition 13 and provide details of the Presentation Date.

6. Physical Settlement

(a) Redemption by way of Physical Delivery

Where the relevant Final Terms provides that “Physical Settlement” is applicable then, unless the Securities have been previously redeemed or purchased and cancelled in accordance with the Conditions, and subject to Asset Term 5(b), each Security shall be redeemed by:

- (i) physical delivery of the Share Amount on the Share Delivery Date; and
- (ii) payment of the Fractional Cash Amount on the Maturity Date.

(b) Delivery Notices

In order to obtain delivery of the Share Amount(s), the relevant holder of Securities must deliver to the Delivery Agent, on or before the Presentation Date, the relevant Security(ies) (if the Securities are in definitive form) and a duly completed notice substantially in such form as the Issuer may determine (“**Delivery Notice**”). Copies of the Delivery Notice may be obtained from the Delivery Agent.

The Delivery Notice must:

- (i) specify the name and address of the relevant holder of Securities, and the details of the account to which the relevant Share Amount(s) are to be delivered;
- (ii) include an undertaking by the relevant holder of Securities to pay all taxes, duties and/or expenses arising from or in connection with the delivery of the Share Amount (as further described in Asset Term 7(a));
- (iii) certify that the beneficial owner of each Security is not a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended, the Security is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and
- (iv) authorise the production of such notice in any applicable administrative or legal proceedings.

No Delivery Notice may be withdrawn after receipt thereof by a Delivery Agent. Upon the delivery of the Delivery Notice, the holder of Securities may not transfer the Securities which are the subject of such Delivery Notice.

Failure properly to complete and deliver a Delivery Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Asset Terms shall be made by the Delivery Agent, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant holder of Securities.

If the Delivery Notice is subsequently corrected to the satisfaction of the Issuer, it shall be deemed to be a new Delivery Notice submitted at the time such correction was delivered as provided above.

If the relevant Security and the related Delivery Notice are delivered to the Delivery Agent on a day that is not a Banking Day in the city of the Delivery Agent, such Security and Delivery Notice shall be deemed to be delivered on the next following such Banking Day.

The Issuer shall have no obligation to make delivery of the Share Amount in respect of such Security unless and until a duly completed Delivery Notice, together with the relevant Security if the Securities are in definitive form, are each delivered as provided above. If the duly completed Delivery Notice together with the relevant Security if the Securities are in definitive form are each delivered after the Presentation

Date, delivery of such Share Amount shall be made as soon as possible thereafter but not earlier than the Share Delivery Date.

For the avoidance of doubt, the relevant holder of a Security shall not be entitled to any additional or further payment by reason of the delivery of the Share Amount in respect of such Security occurring after the Share Delivery Date as a result of such Delivery Notice or Security being delivered after the Presentation Date. holders of Securities should note that, since the Presentation Date may fall before the date on which the Issuer notifies them of the method of redemption, they may not know by then whether the Securities will be redeemed by payment or by delivery of the Share Amount. However, if the Delivery Notice and the relevant Securities are not delivered by the Presentation Date in accordance with this paragraph and the Securities are to be redeemed by delivery of the Share Amount, the holder of Securities will receive the Share Amount later than if the Delivery Notice and the relevant Securities had been so delivered by the Presentation Date.

7. Share Amounts

(a) Delivery of Share Amounts

Without prejudice to sub-paragraph (b) below, the Issuer shall on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Security to the holder of Securities at the risk and expense of the relevant holder of Securities. The holder of Securities is required to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from or in connection with the delivery of the Share Amount, if any, and no delivery shall take place until all such taxes and fees have been paid by the holder of Securities to the absolute satisfaction of the Issuer. As used herein, "delivery" in relation to any Share Amount means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and "deliver" shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars, incompatible or incorrect information being contained in any Delivery Notice or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any holder of Securities or any other person.

In respect of each Share comprising the Share Amount, the Issuer shall not be under any obligation to register or procure the registration of the holder of Securities or any other person as the registered shareholder in the register of members of the Share Issuer.

holders of Securities should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The Issuer shall not at any time be obliged to account to a holder of Securities for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to these Asset Terms.

Delivery of the Share Amount is subject to all applicable laws, regulations and practices in force on the Delivery Date and none of the Issuer or any of its affiliates or agents or the Delivery Agent shall incur 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 Issuer or any of its affiliates or agents or the Delivery Agent shall under any circumstances be liable for any acts or defaults of any third party in relation to the performance of their duties in relation to the delivery of the Share Amount.

Neither the Issuer (nor any other person) shall (i) be under any obligation to deliver (or procure delivery) to such holder of Securities (or any other person), any letter, certificate, notice, circular or any other document received by the Issuer (or that person) in its capacity as the holder of such Shares, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Shares, or (iii) be under any liability to such holder of Securities or any subsequent beneficial owner of such Shares in respect of any loss or damage which such holder of Securities or subsequent beneficial

owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of such Shares.

(b) Settlement Disruption

If the Issuer determines that delivery of any Shares comprising the Share Amount in respect of any Security by the Issuer in accordance with this Asset Term 7(b) is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Security shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant holder of Securities by mail addressed to it at the address specified in the relevant Delivery Notice or in accordance with General Condition 13 provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by delivering or procuring the delivery of such Share Amount using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount in such other commercially reasonable and lawful manner. No holder of Securities shall be entitled to any payment whether of interest or otherwise on such Security in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount in respect of a Share or a Share Basket, the Share Delivery Date for the Shares comprising such Share Amount not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount in respect of any Security is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of Physical Settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each relevant Security by payment to the relevant holder of Securities of the Disruption Cash Settlement Price on the third Currency Business Day following the date that notice of such election is given to the holders of Securities in accordance with General Condition 13. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the holders of Securities in accordance with General Condition 13.

The Issuer shall give notice as soon as practicable to the holders of Securities in accordance with General Condition 13 that a Settlement Disruption Event has occurred.

ASSET TERMS AND CONDITIONS FOR EQUITY INDEX-LINKED SECURITIES

Application: the following terms shall apply to Securities if stated in the relevant Final Terms to be "Equity Index-linked". In the event of any inconsistency between the General Conditions, these Asset Terms (if applicable) and the relevant Final Terms, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the relevant Final Terms;
- (b) these Asset Terms (if applicable); and
- (c) the General Conditions.

1. Definitions

"Additional Disruption Event" means a Change in Law, an FX Disruption, a Hedging Disruption and/or an Increased Cost of Hedging, as specified to be applicable in the relevant Final Terms.

"Averaging Date" means:

- (a) in respect of Securities relating to a single Index, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day for such Index, the next following Scheduled Trading Day for such Index; or
- (b) in respect of Securities relating to an Index Basket where:
 - (i) "Whole Basket Postponement" is specified to be applicable to "Averaging Dates" in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day for any Index in the Index Basket, the next following Scheduled Trading Day for all Indices in the Index Basket; or
 - (ii) "Affected Postponement Only" is specified to be applicable to "Averaging Dates" in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms in respect of an Index in such Index Basket, or if such date is not a Scheduled Trading Day for such Index, the next following Scheduled Trading Day for such Index.

"Change in Law" means that, on or after the Trade Date of the relevant Securities, due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (A) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to any Components in the Index, or (B) it will incur a materially increased cost in performing its obligations with respect to such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements.

"Common Valid Date" means, in respect of an Index Basket, a Scheduled Trading Day for each Index in such Index Basket that is not a Disrupted Day for any Index in such Index Basket and on which another Averaging Date does not occur or is not deemed to occur.

"Component" means, in respect of an Index, any share, security, commodity, rate, index or other component included in such Index, as determined by the Issuer.

"Disrupted Day" means, in respect of:

- (a) a Single-Exchange Index, any Scheduled Trading Day on which (i) a relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred or is continuing; or
- (b) a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Sponsor fails to publish the level of the Index (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (ii) any Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred or is continuing.

"Disruption Threshold" means the percentage so specified in the relevant Final Terms.

"Early Closure" means, in respect of an Index, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange 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 any Components of an Index, the stock exchange(s) or quotation system(s) (from time to time) on which, in the determination of the Sponsor for the purposes of that Index, such Components are listed or quoted and, if the Issuer in its discretion so determines, on which any depositary receipts in respect of such Components are listed or quoted in which event references to the Components of an Index may, where the Issuer determines the context to permit, include such depositary receipts.

"Exchange Business Day" means, in respect of:

- (a) a Single-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions; and
- (b) a Multi-Exchange Index, any Scheduled Trading Day on which the Sponsor publishes the level of the Index and each Related Exchange is open for trading during its regular trading session,

notwithstanding in either case any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Issuer) the ability of market participants in general (a) to effect transactions in, or obtain market values for, (in the case of a Multi-Exchange Index) any Component of the Index (and, if the Issuer in its discretion so determines, any depositary receipts in respect of such securities) on any relevant Exchange or (in the case of a Single-Exchange Index) Components that comprise a percentage equal to the Disruption Threshold or more of the level of the Index on any relevant Exchange, or (b) to effect transactions in, or obtain market values for, futures or options relating to the relevant Index on any relevant Related Exchange.

"FX Disruption" means the occurrence of any event after the Trade Date of the relevant Securities that makes the Issuer and/or its affiliates unable, after using commercially reasonable efforts, to:

- (a) transfer through customary legal channels any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge from accounts (i) within the Local Jurisdiction to (A) accounts outside such Local Jurisdiction, (B) other accounts within such Local Jurisdiction, or (C) the accounts of a non-resident of such Local Jurisdiction, or (ii) outside the Local Jurisdiction to accounts within such Local Jurisdiction;
- (b) convert through customary legal channels any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge into any other Relevant Currency, where such conversion is at a rate at least as favourable as the rate for domestic institutions located in the Local Jurisdiction; or

- (c) obtain a rate or a commercially reasonable rate (as determined by the Issuer), in each case, at which any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge can be exchanged for any other Relevant Currency.

"FX Disruption Hedge" means, in respect of the Issuer and/or its affiliates, any transaction(s) or asset(s) that the Issuer and/or its affiliates deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the foreign exchange or currency risk) of entering into and performing its obligations with respect to the Securities.

"Hedge Positions" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions, or (c) other instruments or arrangements (howsoever described) by the Issuer and/or its affiliates in order to hedge, individually or on a portfolio basis, the risk of entering into and performing its obligations with respect to the Securities.

"Hedge Proceeds" means the cash amount in the Settlement Currency and/or U.S. dollars and/or euro and/or any other freely transferrable currency (as solely determined by the Issuer) constituting the proceeds received or to be received by the Issuer and/or its affiliates in respect of any Hedging Arrangements; for the avoidance of doubt, Hedge Proceeds shall not be less than zero.

"Hedging Arrangements" means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the purchase and/or sale of any securities, any options or futures on such securities, any depositary receipts in respect of such securities and any associated foreign exchange transactions.

"Hedging Disruption" means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price or any other relevant risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging" means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price or any other relevant risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Index" means, subject as provided in Asset Term 2, the Index (or, if more than one, each Index) specified in the relevant Final Terms.

"Index Adjustment Event" means, in respect of an Index, an Index Cancellation, an Index Disruption or an Index Modification.

"Index Basket" means a basket composed of Indices in the relative proportions or numbers of Indices.

"Index Cancellation" means, in respect of an Index, the relevant Sponsor or Successor Sponsor, if applicable, on or prior to any Valuation Date, Averaging Date, Observation Date or other relevant date, permanently cancels such Index and no Successor Index exists as at the date of such cancellation.

"Index Disruption" means, in respect of an Index, the relevant Sponsor or Successor Sponsor, if applicable, on any Valuation Date, Averaging Date, Observation Date or other relevant date, fails to calculate and announce such Index, as determined by the Issuer (provided that, in respect of a Multi-Exchange Index, the Issuer may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day).

"Index Level" means, on any relevant day, subject as provided in Asset Term 2, the level of the relevant Index determined by the Issuer as at the relevant Valuation Time on such day, as calculated and published by the relevant Sponsor.

"Index Modification" means, in respect of an Index, the relevant Sponsor or Successor Sponsor, if applicable, on or prior to any Valuation Date, Averaging Date, Observation Date or other relevant date, makes or announces that it will make a material change in the formula for, or the method of, calculating such Index, or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in the Components, capitalisation and/or other routine events).

"Jurisdictional Event" means, in respect of an Index (a) any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the Jurisdictional Event Jurisdiction including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including without limitation those relating to taxation) and other legal and/or sovereign risks, or (b) the Issuer (acting in good faith and in a commercially reasonable manner) determines that it and/or any affiliate is not able to buy and/or sell one or more Components of such Index or shares of companies whose depository receipts are comprised in such Index ("**Related Shares**") with or for a currency acceptable to the Issuer on the relevant Exchange (or the exchange or quotation system on which the relevant Related Shares are listed or quoted) or the relevant Exchange (or exchange or quotation system) fails to calculate and publish the equivalent, in a currency acceptable to the Issuer, of the share price of such shares on a day on which the Issuer determines that such calculation and publication was otherwise expected to be made and in the case of (a) and (b) which has or may have (as determined in the discretion of the Issuer, acting in good faith and in a commercially reasonable manner) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

"Jurisdictional Event Jurisdiction" means each country so specified in the relevant Final Terms.

"Local Jurisdiction" means, in respect of an Index, the jurisdiction in which the Exchange for such Index is located.

"Market Disruption Event" means the occurrence or existence of a Trading Disruption or an Exchange Disruption which in either case the Issuer determines is material, at any time during the one-hour period that ends at the relevant Valuation Time or an Early Closure provided that, in the case of a Multi-Exchange Index (other than where the Market Disruption Event relates to futures or options contracts relating to that Index), the Components of the Index in respect of which an Early Closure, Exchange Disruption and/or Trading Disruption occurs or exists amount, in the determination of the Issuer, in aggregate to a percentage equal to the Disruption Threshold or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a Component included in the relevant Index at any time, the relevant percentage contribution of that Component to the level of the relevant Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that Component, and (y) the overall level of the relevant Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Issuer.

"Multi-Exchange Index" means any Index which is so specified in the relevant Final Terms, or, if not specified, any Index the Issuer determines as such.

"Observation Date" means each date so specified in the relevant Final Terms, provided that if "Observation Date subject to Averaging Date or Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of Asset Term 2 shall apply to such date as if it were an Averaging Date or a Valuation Date, as the case may be.

"Observation Period" means the period so specified in the relevant Final Terms.

"Reference Currency" means, in respect of an Index, the currency in which such Index is denominated, as specified in the Final Terms.

"Related Exchange(s)" means, in respect of an Index, each exchange or quotation system so specified in the relevant 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 Issuer 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, however, that where "**All Exchanges**" is specified as the Related Exchange in

the relevant Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Issuer) on the overall market for futures or options contracts relating to such Index.

"Relevant Currency" means any of the Settlement Currency, the Reference Currency and the currency in which each Component of the Index is denominated.

"Required Exchange" means, in respect of an Index specified as a Multi-Exchange Index, the exchange(s) so specified in the relevant Final Terms.

"Scheduled Averaging Date" means an original date that, but for such day being a Disrupted Day, would have been an Averaging Date.

"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 the regular trading session hours.

"Scheduled Trading Day" means, in respect of:

- (a) a Single-Exchange Index, any day on which each Exchange and each Related Exchange for such Index are scheduled to be open for trading for their respective regular trading sessions;
- (b) a Multi-Exchange Index, any day on which the Sponsor is scheduled to publish the level of the Index and each Required Exchange (if any) and each Related Exchange for such Index are scheduled to be open for trading for their regular trading sessions;
- (c) any Component referenced by the Index which is a Share, any day on which the relevant Exchange and the relevant Related Exchange for such Share are scheduled to be open for trading for their respective regular trading sessions; and
- (d) any Component which is not a Share, any day on which the value, level or price, as is applicable, is scheduled to be published or disseminated, or is otherwise scheduled to be available.

"Scheduled Valuation Date" means an original date that, but for such day being a Disrupted Day, would have been a Valuation Date.

"Share" means, in respect of an Index, any share included in such Index, as determined by the Issuer.

"Single-Exchange Index" means any Index which is so specified in the relevant Final Terms, or, if not specified, any Index the Issuer determines as such.

"Sponsor" means, in relation to an Index, the corporation or other entity as determined by the Issuer that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments if any, related to such Index, and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day failing whom such person acceptable to the Issuer who calculates and announces the Index or any agent or person acting on behalf of such person.

"Trade Date" means the date so specified in the relevant Final Terms.

"Trading Disruption" means, in respect of an Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) on any relevant Exchange(s) relating to (in the case of a Multi-Exchange Index) any Component of the Index or (in the case of a Single-Exchange Index) Components that comprise a percentage equal to the Disruption Threshold or more of the level of the Index, or (b) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

"Valid Date" means, in respect of an Index, a Scheduled Trading Day for such Index that is not a Disrupted Day for such Index and on which another Averaging Date does not occur or is not deemed to occur.

"Valuation Date" means:

- (a) in respect of Securities relating to a single Index, subject as provided in Asset Term 2, the date(s) so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day for such Index, the next following Scheduled Trading Day for such Index; or
- (b) in respect of Securities relating to an Index Basket where:
 - (i) "Whole Basket Postponement" is specified to be applicable to "Valuation Date(s)" in the relevant Final Terms, subject as provided in Asset Term 2, the date(s) so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day for any Index in the Index Basket, the next following Scheduled Trading Day for all Indices in the Index Basket; or
 - (ii) "Affected Postponement Only" is specified to be applicable to "Valuation Date(s)" in the relevant Final Terms, subject as provided in Asset Term 2, the date(s) so specified in the relevant Final Terms in respect of an Index in such Index Basket, or if such date is not a Scheduled Trading Day for such Index, the next following Scheduled Trading Day for such Index.

"Valuation Time" means:

- (a) for the purposes of determining whether a Market Disruption Event has occurred, (i) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (ii) in respect of any options or futures contracts on the Index, the close of trading on the Related Exchange, and
- (b) in all other circumstances, the time so specified in the relevant Final Terms or, if no such time is specified, the time with reference to which the Sponsor calculates and publishes the closing level of such Index.

2. Disrupted Days, Index Adjustment Events and Other Adjustments

2.1 Consequences of Disrupted Days

(a) Single Index and Valuation Date(s)

Where the Securities relate to a single Index, unless otherwise specified in the relevant Final Terms, if the Issuer determines that any Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the eight consecutive Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case:

- (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Issuer shall determine the Index Level on or in respect of that eighth Scheduled Trading Day in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Index Level in respect of the Valuation Date.

(b) Single Index and Averaging Dates

Where the Securities relate to a single Index, unless otherwise specified in the relevant Final Terms, if the Issuer determines that any Averaging Date is a Disrupted Day and, in the relevant Final Terms, the consequence specified for such Averaging Date is:

- (i) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date, provided that, if through the operation of this provision there would be no Averaging Dates then the sole Averaging Date shall be the first succeeding Scheduled Trading Day following the final Scheduled Averaging Date that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the eight consecutive Scheduled Trading Days immediately following such final Scheduled Averaging Date is a Disrupted Day. In that case:

- (A) that eighth Scheduled Trading Day shall be deemed to be the sole Averaging Date, notwithstanding the fact that such day is a Disrupted Day; and
 - (B) the Issuer shall determine the Index Level on or in respect of the eighth Scheduled Trading Day in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Index Level in respect of the sole Averaging Date;
- (ii) **"Postponement"**, then the relevant Averaging Date shall be the first succeeding Scheduled Trading Day following such Scheduled Averaging Date that the Issuer determines is not a Disrupted Day (irrespective of whether that deferred Averaging Date is already or is deemed to be another Averaging Date), unless the Issuer determines that each of the eight consecutive Scheduled Trading Days immediately following such Scheduled Averaging Date is a Disrupted Day. In that case:
- (A) that eighth Scheduled Trading Day shall be deemed to be the relevant Averaging Date (irrespective of whether such day is already or is deemed to be another Averaging Date or is a Disrupted Day); and
 - (B) the Issuer shall determine the Index Level on or in respect of that eighth Scheduled Trading Day in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Index Level in respect of the relevant Averaging Date; or
- (iii) **"Modified Postponement"**, then the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the final Scheduled Averaging Date, then:
- (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such day is already or is deemed to be another Averaging Date or is a Disrupted Day); and
 - (B) the Issuer shall determine the Index Level on or in respect of that eighth Scheduled Trading Day in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Index Level in respect of the relevant Averaging Date.

If the Issuer determines that any Averaging Date is a Disrupted Day and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(c) **Index Basket and Valuation Date(s) – Affected Postponement Only**

Where the Securities relate to an Index Basket and unless otherwise specified in the relevant Final Terms, if the relevant Final Terms specifies that "Index Basket and Valuation Date(s) – Affected Postponement Only" applies to the Index Basket and any Valuation Date, then if the Issuer determines that any Valuation Date is a Disrupted Day for any Index in the Index Basket, then such Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and such Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day for such Index that the Issuer determines is not a Disrupted Day relating to such Index (irrespective of whether that deferred Valuation Date is already or is deemed to be another Valuation Date for such Index), unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for such Index immediately following such Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case:

- (i) that eighth Scheduled Trading Day for such Index shall be deemed to be the Valuation Date for such Index (irrespective of whether that such day is already or is deemed to be another Valuation Date for such Index), notwithstanding the fact that such day is a Disrupted Day for such Index; and
- (ii) the Issuer shall determine the Index Level for such Index on or in respect of that eighth Scheduled Trading Day for such Index in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Index Level in respect of the Valuation Date for such Index.

(d) **Index Basket and Valuation Date(s) – Whole Basket Postponement**

Where the Securities relate to an Index Basket and unless otherwise specified in the relevant Final Terms, if the relevant Final Terms specifies that "Index Basket and Valuation Date(s) – Whole Basket Postponement" applies to the Index Basket and any Valuation Date, then if the Issuer determines that any Valuation Date is a Disrupted Day for any Index in the Index Basket, then such Valuation Date for each Index in the Index Basket shall be the first succeeding Scheduled Trading Day for each Index in the Index Basket which the Issuer determines is not a Disrupted Day for any Index in the Index Basket, unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for each Index in the Index Basket immediately following such Scheduled Valuation Date is a Disrupted Day for any Index in the Index Basket. In that case:

- (i) that eighth Scheduled Trading Day for each Index in the Index Basket shall be deemed to be the Valuation Date for each Index in the Index Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Indices in the Index Basket (each such Index being an "**Affected Basket Index**" for such Valuation Date);
- (ii) for each Index in the Index Basket other than an Affected Basket Index, the relevant Index Level shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on that eighth Scheduled Trading Day for each Index in the Index Basket; and
- (iii) for each Affected Basket Index, the Issuer shall determine the Index Level for such Affected Basket Index on or in respect of that eighth Scheduled Trading Day for each Index in the Index Basket in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (iii) shall be deemed to be the Index Level in respect of the Valuation Date for such Affected Basket Index.

(e) **Index Basket and Averaging Dates – Affected Postponement Only**

Where the Securities relate to an Index Basket and unless otherwise specified in the relevant Final Terms, if the relevant Final Terms specifies that "Index Basket and Averaging Dates – Affected Postponement Only" applies to the Index Basket and any Averaging Date and if the Issuer determines that any Averaging Date is a Disrupted Day in respect of any Index in the Index Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for each Index in the Index Basket, provided that, if through the operation of this provision there would be no Averaging Dates, then:
 - (A) for each Index in the Index Basket for which the Issuer determines that the final Scheduled Averaging Date is not a Disrupted Day, the sole Averaging Date for such Index shall be the final Scheduled Averaging Date; and
 - (B) for each Index in the Index Basket for which the Issuer determines that the final Scheduled Averaging Date is a Disrupted Day, then the sole Averaging Date for such Index shall be the first succeeding Scheduled Trading Day for such Index following the final Scheduled Averaging Date that the Issuer determines is not a Disrupted Day relating to such Index, unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for

such Index immediately following the final Scheduled Averaging Date is a Disrupted Day relating to that Index. In that case:

- (I) that eighth Scheduled Trading Day for such Index shall be deemed to be the sole Averaging Date for such Index, notwithstanding the fact that such day is a Disrupted Day for such Index; and
 - (II) the Issuer shall determine the Index Level for such Index on or in respect of that eighth Scheduled Trading Day for such Index in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (II) shall be deemed to be the Index Level in respect of the sole Averaging Date for such Index;
- (ii) "**Postponement**", then for each Index in the Index Basket for which the Issuer determines that such Averaging Date is a Disrupted Day, the Averaging Date for such Index shall be the first succeeding Scheduled Trading Day for such Index that the Issuer determines is not a Disrupted Day relating to that Index (irrespective of whether that deferred Averaging Date is already or is deemed to be another Averaging Date for such Index), unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for such Index immediately following such Scheduled Averaging Date is a Disrupted Day relating to such Index. In that case:
- (A) the eighth Scheduled Trading Day for such Index shall be deemed to be the Averaging Date for such Index (irrespective of whether that eighth Scheduled Trading Day for such Index is already or is deemed to be another Averaging Date or is a Disrupted Day for such Index); and
 - (B) the Issuer shall determine the Index Level for such Index on or in respect of that eighth Scheduled Trading Day for such Index in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Index Level in respect of the relevant Averaging Date for such Index; or
- (iii) "**Modified Postponement**", then for each Index in the Index Basket for which the Issuer determines that such Scheduled Averaging Date is a Disrupted Day, the Averaging Date for such Index shall be the first succeeding Valid Date relating to that Index. If the first succeeding Valid Date has not occurred as of the relevant Valuation Time on the eighth Scheduled Trading Day for such Index immediately following the final Scheduled Averaging Date, then:
- (A) that eighth Scheduled Trading Day for such Index shall be deemed to be the Averaging Date for such Index (irrespective of whether that eighth Scheduled Trading Day for such Index is already or is deemed to be another Averaging Date or is a Disrupted Day for such Index); and
 - (B) the Issuer shall determine the Index Level for such Index on or in respect of that eighth Scheduled Trading Day for such Index in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Index Level in respect of the relevant Averaging Date for such Index.

If the Issuer determines that any Averaging Date is a Disrupted Day for any Index in the Index Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(f) **Index Basket and Averaging Dates – Whole Basket Postponement**

Where the Securities relate to an Index Basket and unless otherwise specified in the relevant Final Terms, if the relevant Final Terms specifies that "Index Basket and Averaging Dates – Whole Basket Postponement" applies to the Index Basket and an Averaging Date, then if the Issuer determines that any

Averaging Date is a Disrupted Day in respect of any Index in the Index Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for each Index in the Index Basket, provided that, if through the operation of this provision there would be no Averaging Dates, then the sole Averaging Date for each Index in the Index Basket shall be the first succeeding Scheduled Trading Day for each Index in the Index Basket following the final Scheduled Averaging Date that the Issuer determines is not a Disrupted Day for any Index in the Index Basket, unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for each Index in the Index Basket immediately following the final Scheduled Averaging Date is a Disrupted Day relating to one or more Indices in the Index Basket. In that case:
 - (A) that eighth Scheduled Trading Day for each Index in the Index Basket shall be deemed to be the sole Averaging Date for each Index in the Index Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Indices in the Index Basket (each such Index being an "**Affected Basket Index**" for such sole Averaging Date);
 - (B) for each Index in the Index Basket other than an Affected Basket Index, the relevant Index Level shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on that eighth Scheduled Trading Day for each Index in the Index Basket; and
 - (C) for each Affected Basket Index, the Issuer shall determine the Index Level for such Affected Basket Index on or in respect of that eighth Scheduled Trading Day for each Index in the Index Basket in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Index Level in respect of the sole Averaging Date for such Affected Basket Index;
- (ii) "**Postponement**", then the Averaging Date for each Index in the Index Basket shall be the first succeeding Scheduled Trading Day for each Index in the Index Basket which the Issuer determines is not a Disrupted Day for any Index in the Index Basket (irrespective of whether that deferred Averaging Date is already or is deemed to be another Averaging Date), unless the Issuer determines that each of the eight consecutive Scheduled Trading Days for each Index in the Index Basket immediately following such Scheduled Averaging Date is a Disrupted Day relating to one or more Indices in the Index Basket. In that case:
 - (A) that eighth Scheduled Trading Day for each Index in the Index Basket shall be deemed to be the Averaging Date for each Index in the Index Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Indices in the Index Basket (each such Index being an "**Affected Basket Index**" for such Averaging Date);
 - (B) for each Index in the Index Basket other than an Affected Basket Index, the relevant Index Level shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on that eighth Scheduled Trading Day for each Index in the Index Basket; and
 - (C) for each Affected Basket Index, the Issuer shall determine the Index Level for such Affected Basket Index on or in respect of that eighth Scheduled Trading Day for each Index in the Index Basket in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Index Level in respect of the relevant Averaging Date for such Affected Basket Index; or
- (iii) "**Modified Postponement**", then the Averaging Date for each Index in the Index Basket shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of the relevant Valuation Time on the eighth Scheduled Trading Day for each Index in the Index Basket immediately following the final Scheduled Averaging Date, then:

- (A) that eighth Scheduled Trading Day for each Index in the Index Basket shall be deemed to be the Averaging Date for each Index in the Index Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Indices in the Index Basket (each such Index being an "**Affected Basket Index**" for such Averaging Date);
- (B) for each Index in the Index Basket other than an Affected Basket Index, the relevant Index Level shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on that eighth Scheduled Trading Day for each Index in the Index Basket; and
- (C) for each Affected Basket Index, the Issuer shall determine the Index Level for such Affected Basket Index on or in respect of that eighth Scheduled Trading Day for each Index in the Index Basket in accordance with Asset Term 2.1(g) (Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day), and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Index Level in respect of the relevant Averaging Date for such Affected Basket Index.

If the Issuer determines that any Averaging Date is a Disrupted Day for any Index in the Index Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(g) Formula for and method of calculating an Index Level after the eighth Scheduled Trading Day

In respect of an Index, the Issuer shall determine the Index Level on or in respect of the relevant last consecutive Scheduled Trading Day, pursuant to Asset Term 2.1(a)(ii), 2.1(b)(i)(B), 2.1(b)(ii)(B), 2.1(b)(iii)(B), 2.1(c)(ii), 2.1(d)(iii), 2.1(e)(i)(B)(II), 2.1(e)(ii)(B), 2.1(e)(iii)(B), 2.1(f)(i)(C), 2.1(f)(ii)(C) or 2.1(f)(iii)(C), as the case may be, in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the relevant first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the last consecutive Scheduled Trading Day of each Component comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in Asset Term 1 of the Asset Terms and Conditions for Equity-linked Securities) has occurred in respect of any relevant Component that is a Share (or an analogous event has occurred in respect of any relevant Component that is not a Share) on such last consecutive Scheduled Trading Day, or such last consecutive Scheduled Trading Day is not a Scheduled Trading Day for any relevant Component, as determined by the Issuer, its good faith estimate of the value for the relevant Component as of the Valuation Time on the last consecutive Scheduled Trading Day).

2.2 Index Adjustment Events

(a) Successor Sponsor or Successor Index

If an Index is (i) not calculated and announced by the Sponsor but is calculated and announced by a successor sponsor acceptable to the Issuer (a "**Successor Sponsor**"), or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for, and method of, calculation as used in the calculation of such Index, then in each case such index (the "**Successor Index**") will be deemed to be the Index.

The Issuer may make such adjustment(s) that it deems appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for such Successor Index.

(b) Occurrence of an Index Adjustment Event

If the Issuer determines in respect of an Index that, on or prior to any Valuation Date, Averaging Date, Observation Date or other relevant date, an Index Adjustment Event has occurred in respect of such Index, then the Issuer shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Index Level using, in lieu of a published level for such Index, the level for such Index as at the Valuation Time on that Valuation Date, Averaging Date, Observation Date or other relevant date, as the case may be, as determined by the Issuer in accordance with the formula for,

and method of, calculating such Index last in effect prior to the relevant Index Adjustment Event, but using only those Components that comprised such Index immediately prior to such Index Adjustment Event (other than those Components that have since ceased to be listed on the relevant Exchange).

Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the holders of Securities in accordance with General Condition 13 stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Index Adjustment Event, provided that any failure to give such notice shall not affect the validity of the Index Adjustment Event or any action taken. If the Issuer determines, in its discretion, that the above adjustments would not achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to holders of Securities in accordance with General Condition 13, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each holder of Securities in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

2.3 Consequences of Additional Disruption Events

- (a) If the Issuer determines that an Additional Disruption Event (where specified as being applicable in the relevant Final Terms) has occurred, the Issuer may (but need not) determine the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic effect of such Additional Disruption Event on the Securities, and determine the effective date of that adjustment.
- (b) Upon making any such adjustment under this Asset Term 2.3, the Issuer shall give notice as soon as practicable to the holders of Securities in accordance with General Condition 13 stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Additional Disruption Event, provided that any failure to give such notice shall not affect the validity of the Additional Disruption Event or any action taken. If the Issuer determines that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to holders of Securities in accordance with the General Condition 13, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each holder of Securities in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

3. Adjustment in respect of Jurisdictional Event

- (a) If the relevant Final Terms specifies in relation to an Index that Jurisdictional Event shall apply and, in the determination of the Issuer, a Jurisdictional Event occurs, the Issuer may make such downward adjustment to any amount otherwise payable under the Securities as it shall determine in its discretion, acting in good faith and in a commercially reasonable manner, to take account of the effect of such Jurisdictional Event on any Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions would otherwise be the amount so payable. The Issuer will use commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines, in its sole and absolute discretion, to be commercially impracticable. The Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations.
- (b) Upon making any such adjustment under this Asset Term 3, the Issuer shall give notice as soon as practicable to the holders of Securities in accordance with General Condition 13 stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Jurisdictional Event, provided that any failure to give such notice shall not affect the validity of the Jurisdictional Event or any action taken.

4. Correction of Index Levels

In the event that any relevant level of an Index published by the Sponsor on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the Sponsor by the second Business Day prior to the next date on which any

relevant payment may have to be made by the Issuer or in respect of which any relevant determination in respect of the Securities may have to be made, then the Issuer may determine the amount that is payable or deliverable or make any determination, acting in good faith and in a commercially reasonable manner, in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

5. Responsibility

Neither the Issuer nor the Agents shall have any responsibility in respect of any error or omission or subsequent corrections made in the calculation or announcement of an Index, whether caused by negligence or otherwise.

ASSET TERMS AND CONDITIONS FOR CREDIT SECURITIES

Application: the following terms shall apply to Securities if stated in the relevant Final Terms to be “Credit”. In the event of any inconsistency between the General Conditions, these Asset Terms (if applicable) and the relevant Final Terms, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the relevant Final Terms;
- (b) these Asset Terms (if applicable); and
- (c) the General Conditions.

1. Definitions

“**Accelerated or Matured**” means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

“**Additional Credit Security Disruption Event**” means any of Change in Law, Hedging Disruption, and/or Increased Cost of Hedging, unless specified as not applying in the Final Terms.

“**Additional Disruption Event**” means, unless otherwise specified in the Final Terms, each of a Change in Law, a Hedging Disruption and an Increased Cost of Hedging.

“**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 Swaps - Monoline Insurer as Reference Entity, as published by ISDA on 21 January 2005; or
- (b) any other provisions specified in relation to such Reference Entity.

“**Affected Entity**” has the meaning given to such term in Asset Term 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.

“**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.

“**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:

$$\text{Auction Settlement Amount} = \text{Max} [0, \text{Min} (A, [(A \times B) - C])]$$

Where:

“**A**” means the Specified Denomination;

“**B**” means the relevant Auction Final Price; and

“**C**” means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event “**C**” means zero).

“**Auction Settlement Amount Notice**” means a notice given by the Issuer to the Calculation Agent and the holders of Securities in accordance with General Condition 13, as applicable, 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:

- (a) the Transaction Auction Settlement Terms or Parallel Auction Settlement Terms which the Issuer has elected to apply to the Credit Securities (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.

“**Auction Settlement Date**” means:

- (a) the date that is three Business Days following delivery by the Issuer of the Auction Settlement Amount Notice to the Calculation Agent and the holders of Securities in accordance with General Condition 13, as applicable; or
- (b) (if “Settlement Deferral” is specified as applicable) if later, the Maturity Date. For the avoidance of doubt, this shall be without prejudice to Asset Term 4(a) (Cessation of Interest Accrual).

“**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 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.

“Bond” means any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money obligation.

“Bond or Loan” means any obligation that is either a Bond or a Loan.

“Borrowed Money” means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

“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.

“Cash Settlement Date” means:

- (a) 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
- (b) (if “Settlement Deferral” is specified as applicable) if later, the Maturity Date. For the avoidance of doubt, this shall be without prejudice to Asset Term 4(a) (Cessation of Interest Accrual).

“Change in Law” means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency, 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 Securities or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Credit Securities; 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 Credit Securities in issue or in holding, acquiring or disposing of any relevant hedge positions of the Credit Securities.

“CoCo Supplement” means the 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions, as published by ISDA.

“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 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 (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 Securities 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, unless otherwise specified in the applicable Final Terms, the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring, Governmental Intervention or Additional Credit Event 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 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 specified as such in the Final Terms. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

“**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 (other than any Additional Credit Event) that occurred after the Scheduled Termination 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 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:

$$\text{Credit Event Cash Settlement Amount} = \text{Max} [0, \text{Min} (A, [(A \times B) - C])]$$

Where:

“**A**” means the Specified Denomination;

“**B**” means the Weighted Average Final Price, or if so specified in the applicable Final Terms, the Final Price or such other price specified therein; and

“**C**” means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event “**C**” means zero),

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

“**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 Securities**” means Securities linked to the credit of a specified entity or entities.

“**Credit Security 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 Settlement Day (if “TARGET” or “TARGET Settlement 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 Settlement 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 Security Business Days.

“**Credit Security 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 holder of Securities or its Affiliate or as may otherwise be specified in the Final Terms.

“**Credit Security Settlement Date**” means either:

- (a) the 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. (Hong Kong time) on the date falling two Hong Kong Business Days prior to the 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”.

“**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 good faith and 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. (Hong Kong 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 Scheduled Termination 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 a 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 a 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 a 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 Security Settlement Date or other redemption or settlement date of the Credit Securities or the date on which instructions are given by or on behalf of the Issuer for any such redemption or settlement or any date, as determined by the Calculation Agent acting in good faith and 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.

“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 holders of Securities, 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 holders of Securities, 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 holder of Securities 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 holder of Securities 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 holder of Securities shall be permitted to request that any party take nor shall the Issuer or any holder of Securities 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 holders of Securities 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 Asset Term 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 holder of Securities that provides each holder of Securities 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 holder of Securities 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).

“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:
 - (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) 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
- (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) if so elected by the Calculation Agent, 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:

- (i) no Physical Settlement Date or Cash Settlement Date (as applicable) has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs;
- (ii) 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
- (iii) (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.

“Excess Amount” means any amount paid to the holders of Securities but which was not due on the Credit Securities, 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.

“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 Asset Term 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 Security Business Days following the Auction Final Price Determination Date, if any;
- (c) 15 Credit Security Business Days following the Auction Cancellation Date, if any; or
- (d) 15 Credit Security Business Days following the No Auction Announcement Date, if any,

or such later date as the relevant Credit Derivatives Determinations Committee Resolves.

“**Extended Physical Settlement Date**” means:

- (a) in the case of a Capped Reference Entity, the 60th Credit Security 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 Security Business Days (in a case where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or ten Credit Security 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 Security Business Days or ten Credit Security Business Days, respectively, after the original Extended Physical Settlement Date, or to such earlier date as the Calculation Agent may determine; 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 120th Credit Security Business Day following the Physical Settlement Date or, in the absence of such selection, such 120th Credit Security Business Day.

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

- (a) the Scheduled Termination 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;

- (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Termination Date; and
 - (iii) an Extension Notice is delivered under sub-paragraph (a) 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 Scheduled Termination Date; or
- (b) that a Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Termination Date; or
- (c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Scheduled Termination Date; 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 Settlement 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 Settlement 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 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:

- (a) 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 in good faith and in a commercially reasonable manner); or
- (b) 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 “Zero Recovery” is specified as applicable in the Final Terms, the Final Price shall be zero.

“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 Security Dealers, each firm quotation (expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable) obtained from a Credit Security 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 Scheduled Termination Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Termination Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified, 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 Scheduled Termination Date.

“Grace Period Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or if a place or places are not so specified, (a) if the Obligation Currency is the euro, a TARGET Settlement Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

“Grace Period Extension Date” means, if:

- (a) “Grace Period Extension” is specified as applicable in relation to a Reference Entity; and

(b) a Potential Failure to Pay occurs on or prior to the Scheduled Termination 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 Securities.

“**Hedging Disruption**” means that the Issuer, the Guarantor, if applicable, and/or any of their respective Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge its exposure with respect to the Credit Securities, 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 Securities.

“**Hong Kong 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 Hong Kong.

“**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 Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor, (if applicable) and/or any of their respective Affiliates shall not be deemed an Increased Cost of Hedging.

“**Indicative Quotation**” shall mean each bid quotation obtained from a Credit Security Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation equal to the Quotation Amount, which reflects such Credit Security Dealer’s reasonable assessment of the price of such Undeliverable Obligation based on such factors as such Credit Security Dealer may consider relevant, which may include historical prices and recovery rates.

“**Interest**” means, for the purposes of the definition of “First Ranking Interest”, a charge, security interest or other type of interest having similar effect.

“**ISDA**” means the International Swaps and Derivatives Association, Inc. (or any successor thereto).

“**July 2009 Supplement**” means the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, as published by ISDA on 14 July 2009.

“**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 Cash Settlement of Consent Required Loans”, “Partial Cash Settlement of Assignable Loans” or “Partial Cash Settlement of Participations” is specified as applicable in respect of the relevant Reference Entity, the date that is 15 Credit Security 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 Asset Term 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.

“**Linear Basket Credit Securities**” means Credit Securities where the Issuer purchases credit protection from the holders of Securities in respect of a basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

“**Listed**” means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds or, if specified as applicable to a Deliverable Obligation Category, the 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.

“**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. 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.

“**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.

“**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 the Maturity Date, a Reference Entity or any of the Issuer, (if applicable) the Guarantor and/or a holder of Securities consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, any of the Issuer, the Guarantor or a holder of Securities, as applicable, or a Reference Entity respectively, or a Reference Entity and any of the Issuer, (if applicable) the Guarantor and/or a holder of Securities become affiliates.

“**Merger Event Redemption Date**” means the date specified as such in the applicable Final Terms.

“Minimum Quotation Amount” means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no such amount is specified, the lower of:

- (a) 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 Scheduled Termination Date.

Subject to the foregoing, if the Scheduled Termination Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Termination 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 holders of Securities in accordance with General Condition 13.

“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, where the relevant Final Terms specify that “Nth-to-Default Credit Security” is applicable, such number as may be specified in such Final Terms.

“Next Currency Fixing Time” means 4:00 p.m. (Hong Kong time) on the Hong Kong 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 holders of Securities 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 Security 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 holders of Securities 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 Security 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 Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms to the Calculation Agent by the Movement Option Cut-off Date, 5 Credit Security 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 Securities by physical delivery in accordance with Asset Term 5; and
- (ii) contains a detailed description of the Deliverable Obligations that the Issuer intends to Deliver (or procure Delivery of) to the holders of Securities, 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 Settlement 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 holders of Securities 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 holders of Securities (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 holders of Securities of the detailed description of the Asset Package, if any, that it intends to Deliver to the holders of Securities 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 Security and a Reference Entity, a hypothetical market standard credit default swap transaction entered into by the Issuer, as Buyer (as 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 Scheduled Termination 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 Security; and
- (e) the remaining terms as to credit linkage are consistent with the terms of such Credit Security as it relates to such Reference Entity.

“Nth-to-Default Credit Security” means any First-to-Default Credit Security or any other nth-to-default Credit Securities where the Issuer purchases credit protection from the holders of Securities in respect of two or more Reference Entities, as specified 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.

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 Asset Term 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 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 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 Cash Settlement Date**” means the date falling three Credit Security 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 applicable Final Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified in the applicable 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 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 applicable Final Terms specify that 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 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 (or any successor website thereto), provided that any reference therein to:

- (a) “Confirmation” shall be deemed to be a reference to the applicable Final Terms;
- (b) “Floating Rate Payer Specified Denomination” 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 these Asset Terms;
- (d) “Section 1.33” shall be deemed to be a reference to Asset Term 9(a); and
- (e) “Section 8.19” shall be deemed to be a reference to “Physical Settlement Period” as defined in these Asset Terms.

Where a Transaction Type is specified in the Final Terms in respect of any Reference Entity, the Physical Settlement Matrix shall apply in accordance with Asset Term 2(a).

“**Physical Settlement Period**” means, subject to Asset Term 3(e), the number of Credit Security Business Days specified as such in relation to a Reference Entity or, if a number of Credit Security 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 Security 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 holder of Securities to give the Issuer details of accounts for settlement; or a failure of the holder of Securities to open or procure the opening of such accounts or if the holders of Securities 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:
 - (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:

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

“**Qualifying Participation Seller**” means any participation seller that meets the requirements specified in 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 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 Security Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Credit Security Business Day within three Credit Security Business Days of a Relevant Valuation Date, then on the next following Credit Security Business Day (and, if necessary, on each Credit Security Business Day thereafter until the tenth Credit Security Business Day following the applicable Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Credit Security 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 Security Business Day on or prior to the tenth Credit Security Business Day following the applicable Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Credit Security Dealer at the Valuation Time on such tenth Credit Security Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Credit Security Dealers at the Valuation Time on such tenth Credit Security 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 good faith and 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.

“Reference Entity” or **“Reference Entities”** means the reference entity or reference entities specified in the Final Terms 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
- (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 Securities, as the terms of which may be modified pursuant to Asset Term 7.

“Reference Entity Notional Amount” means the amount in which the Issuer has purchased credit protection in respect of one or more Reference Entities, as set out in the Final Terms (or, if no such amount is specified, the Aggregate Nominal Amount or, in the case of Partly Paid Securities, the paid-up Aggregate Nominal Amount of the Credit Securities, in each case, divided by the number of Reference Entities (and, in the case of Instalment Securities, subject to reduction on redemption)), subject to Asset Terms 7 and 9.

“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 Securities on a date as specified by notice to the holders of Securities in accordance with General Condition 13, as applicable, on or after the Substitution Event Date, and at an amount (which may be zero) in respect of each Credit Security equal to the fair market value of such Credit Security taking into account the relevant Substitution Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in 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 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 Settlement 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 Asset Term 5, Deliver to the holders of Securities 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 good faith and 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 holders of Securities, 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 holders of Securities, 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 Scheduled Termination 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 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 Asset Term 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 Scheduled Termination Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **“Latest Maturity Restructured Bond or Loan”**) and the Scheduled Termination Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

“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 good faith and in a commercially reasonable manner.

“Rules” means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

“Scheduled Termination Date” means the Maturity Date.

“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 applicable Final Terms, or if no currency is so specified in the Final Terms, the Specified Currency.

“Settlement Method” means the settlement method specified as such in the Final Terms and if no Settlement Method is specified in the Final Terms, Auction Settlement.

“Settlement Valuation Date” means the date being three Credit Security 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 Security Business Day prior to the Physical Settlement Date, the Settlement Valuation Date shall be the date which is three Credit Security

Business Days after such Notice of Physical Settlement or NOPS Amendment Notice, as applicable, is given.

“Single Reference Entity Credit Security” means Credit Securities where the Issuer purchases credit protection from the holders of Securities in respect of only one Reference Entity.

“Solvency Capital Provisions” means any terms in an obligation which permit the Reference Entity’s payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

“Sovereign” means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

“Sovereign 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.

“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 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 guaratee);
 - (ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
 - (iii) (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
 - (I) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of “Deliverable Obligation”; or if no such obligation is available,

- (II) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of “Deliverable Obligation”;
- (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
- (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (II) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of “Deliverable Obligation”; or if no such obligation is available,
 - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of “Deliverable Obligation”; or
- (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
- (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (III) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of “Deliverable Obligation”; or if no such obligation is available,
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of “Deliverable Obligation”.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c), 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 Securities, 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 a Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the **“Exchange Bonds or Loans”**) that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of 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 Security 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 Asset Term 7(a)(ii), the entity or entities, if any, determined as follows:

- (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 Asset Term 7(c)(ii) above.

“**TARGET Settlement Day**” means any day on which TARGET2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open.

“**Trade Date**” means the date specified as such in the applicable 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 Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure by the holder of Securities to deliver an market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Settlement Date.

“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.

“Unwind Costs” means the amount specified in the applicable Final Terms or if “Standard Unwind Costs” are specified in the applicable Final Terms (or in the absence of such specification), an amount, 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), tax and duties incurred by the Issuer in connection with the redemption, settlement, cancellation and/or termination of the Credit Securities and the related termination, settlement or re-establishment of any Hedge Transaction, such amount to be apportioned pro rata amongst the outstanding (and in the case of Partly Paid Securities, paid-up) nominal amount of each Credit Security equal to the Specified Denomination set out in the applicable Final Terms.

“Valuation Date” means:

- (a) any Credit Security Business Day falling between the 55th and the 122nd Credit Security 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 Security Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or
- (b) if “Cash Settlement” is applicable as a Fallback Settlement Method, any Credit Security Business Day falling between the 55th and the 122nd Credit Security Business Day following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later Credit Security Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or

- (c) if Partial Cash Settlement applies, the date which is up to fifteen Credit Security Business Days after the Latest Permissible Physical Settlement Date or, as applicable the Extended Physical Settlement Date (as selected by the Calculation Agent in its sole and absolute discretion).

“Valuation Obligation” means, in respect of a Reference Entity, notwithstanding anything to the contrary in the Asset Terms, 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 Settlement Method and/or any Asset in the related Asset Package in respect of a Prior Deliverable Obligation or Package Observable Bond, in each case, as selected by the Issuer 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 settlement method.

“Valuation Obligations Portfolio” means one or more Valuation Obligations of a Reference Entity selected by the Calculation Agent in its discretion, each in an Outstanding Amount (or, as the case may be, an Outstanding Amount of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event) selected by the Calculation Agent in its sole and absolute discretion (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 in its sole and absolute discretion)), 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 Currency Amount of each such Valuation Obligation (or its equivalent in the Settlement Currency converted by the Calculation Agent in good faith and in a commercially reasonable manner by reference to exchange rates in effect at the time of such determination).

If “Zero Recovery” is specified as applicable in the Final Terms, the Weighted Average Final Price shall be zero.

“Weighted Average Quotation” means, in accordance with the bid quotations provided by the Credit Security Dealers, the weighted average of firm quotations obtained from the Credit Security 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 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.

2. General

(a) Physical Settlement Matrix

Where a Transaction Type is specified in the Final Terms in respect of any Reference Entity, then the provisions of these Asset Terms 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, subject to such modification as specified in the Final Terms.

(b) Additional Provisions

If, in accordance with the specified Transaction Type or otherwise, any Additional Provisions are applicable, these Asset Terms shall take effect subject to the provisions thereof.

(c) Linear Basket Credit Securities

If the Credit Securities are Linear Basket Credit Securities, then the provisions of these Asset Terms relating to redemption or settlement of Credit Securities following the occurrence of an Event Determination Date, extension of maturity of Credit Securities on delivery of an Extension Notice, cessation or suspension of accrual of interest or accrual and payment of interest following the Maturity Date shall apply separately with respect to each Reference Entity and a portion of each Credit Security corresponding to the Reference Entity Notional Amount divided by the number of Credit Securities then in issue. The remaining provisions of these Asset Terms shall be construed accordingly.

3. Redemption

(a) Redemption or Expiration absent Event Determination Date

The Issuer will redeem each Credit Security on the related Credit Security Settlement Date (as such date may be extended in accordance with the definition thereof) by payment of an amount equal to the outstanding principal amount of such Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) (together with interest, if any, payable thereon) unless:

- (a) the Credit Securities have been previously redeemed or purchased and cancelled in full (including pursuant to Asset Terms 3(b), 3(c) or 3(d)); or
- (b) an Event Determination Date has occurred, in which event the Issuer shall redeem the Credit Securities in accordance with Asset Term 3(b).

(b) Redemption or Settlement following Event Determination Date

Upon the occurrence of an Event Determination Date in relation to any Reference Entity, then each Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) will be subject to redemption on the Event Determination Date and will be subject to settlement:

- (a) if the applicable Settlement Method is Auction Settlement, by payment of its pro rata share (such amount to be apportioned pro rata amongst the outstanding (and in the case of Partly Paid Securities, paid-up) nominal amount of each Credit Security corresponding to the Specified Denomination) 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. If an Event Determination Date occurs with respect to a new Credit Event following the occurrence of a Fallback Settlement Event with respect to a first Credit Event and no Fallback Settlement Event occurs with respect to such new Credit Event, the Issuer shall, if it so elects on or prior to a related Valuation Date or Delivery Date, redeem or settle, as applicable, the Credit Securities in accordance with this Asset Term 3(b)(a) by Auction Settlement;

- (b) if the applicable Settlement Method is Physical Settlement, in accordance with Asset Term 5; and
- (c) if the applicable Settlement Method is Cash Settlement, by payment of its pro rata share (such amount to be apportioned pro rata amongst the outstanding (and in the case of Partly Paid Securities, paid-up) nominal amount of each Credit Security corresponding to the Specified Denomination) of the Credit Event Cash Settlement Amount on the Cash Settlement Date.

Where the Credit Securities are Nth-to-Default Credit Securities, an Event Determination Date shall be deemed not to occur with respect to the Credit Securities until an Event Determination Date occurs with respect to the Nth Reference Entity. Where the Credit Securities are Nth-to-Default Credit Securities 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 Date occurred.

(c) Redemption following a Merger Event

If this Asset Term 3(c) is specified as applicable in the applicable Final Terms, if the Calculation Agent determines that a Merger Event has occurred, the Issuer may give notice to the holders of Securities in accordance with General Condition 13, as applicable, and redeem all but not some only of the Credit Securities on the Merger Event Redemption Date, and if the Credit Securities are so redeemed, the Issuer shall pay an amount to each holder of Securities in respect of each Credit Security, which amount shall be the fair market value of the Credit Security taking into account the Merger Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (including without limitation any Unwind Costs), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

(d) Additional Credit Security Disruption Events

If the Calculation Agent determines that an Additional Credit Security Disruption Event has occurred, the Issuer may redeem the Credit Securities by giving notice to holders of Securities in accordance with General Condition 13, as applicable. If the Credit Securities are so redeemed, the Issuer will pay an amount to each holder of Securities in respect of each Credit Security equal to the fair market value of such Credit Security taking into account the Additional Credit Security Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the holders of Securities in accordance with General Condition 13.

(e) 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 holders of Securities) 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):

- (i) any obligation of the Issuer to redeem or settle any Credit Security (including pursuant to Asset Term 3(b)) or pay any amount of interest which would otherwise be due thereon (and the timing requirements of the Cash Settlement Date, Valuation Date, Relevant Valuation Date, NOPS Cut-off Date, Physical Settlement Period and any other provisions pertaining to settlement) shall, insofar as it relates to the relevant Reference Entity;
- (ii) if the Final Terms specifies that “Calculation and Settlement Suspension” applies, any obligation of the Issuer to redeem or settle any Credit Security (including pursuant to Asset Term 3(b)) (and the timing requirements of the 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 amount of interest which would otherwise be due thereon or any obligation of the Calculation Agent to calculate any amount of interest (in each case, regardless of whether any such interest relates to the relevant Reference Entity), shall,

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 settlement of the Credit Securities, 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 Securities, nor, if the Final Terms specifies that “Calculation and Settlement Suspension” applies, shall the Calculation Agent be obliged to take any action in connection with the calculation of any amount of interest (in each case, if the Final Terms specifies that “Calculation and Settlement 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 Security 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 amount of interest so suspended shall, subject always to Asset Term 4(a), 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 interest shall accrue on any payment of interest or any other amounts which are deferred in accordance with this Asset Term 3(e).

(f) Miscellaneous provisions relating to Redemption or Settlement

If the Credit Securities are partially redeemed or settled, the relevant Credit Securities or, if the Credit Securities are represented by a Global Certificate, such Global Certificate, shall be endorsed to reflect such partial redemption or settlement. Upon such partial redemption or settlement, the outstanding notional amount or outstanding principal amount of each Credit Security shall be reduced for all purposes (including accrual of interest thereon) accordingly.

Redemption or settlement of any Credit Security in accordance with this Asset Term 3, 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.

Any amount payable under Asset Term 3(b) shall be rounded downwards to the nearest sub-unit of the relevant currency.

4. Interest

(a) Cessation of Interest Accrual

Upon the occurrence of an Event Determination Date in respect of any Reference Entity, interest on such Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) shall cease to accrue with effect from and including:

(a) either:

(i) the Interest Payment Date; or

(ii) if so specified in the Final Terms, the Interest Period End Date,

immediately preceding such Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date); or

(b) if so specified in the Final Terms, such Event Determination Date.

(b) Interest following Scheduled Maturity

Subject always to Asset Term 4(a), if an Extension Notice has been given (other than pursuant to paragraph (d) of the definition of “Extension Notice”), each Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) which is outstanding following the Maturity Date, shall continue to bear interest from (and including) the Maturity Date, to (but excluding) the related Credit Security Settlement Date at a rate of interest equal to either:

- (a) the rate that the Calculation Agent would pay to an independent customer in respect of overnight deposits in the currency of the Credit Securities; or
- (b) such other rate as shall be specified for such purpose in the Final Terms.

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 Maturity Date, to (but excluding) the related Credit Security Settlement Date.

(c) Interest Payment Dates

If the Credit Securities are redeemed pursuant to the General Conditions or these Asset Terms, the Maturity Date, the Credit Security Settlement Date (if not the Maturity Date), the Auction Settlement Date, the Cash Settlement Date or the last Delivery Date, as the case may be, shall be an Interest Payment Date in respect of each Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof) and the Issuer shall pay any interest that has accrued in respect of each Credit Security (or, as applicable, the relevant portion thereof) on such Interest Payment Date.

5. Physical Settlement

(a) Delivery and payment

If Physical Settlement applies to any Credit Security, then, upon the occurrence of an Event Determination Date, the Issuer shall, on or prior to the related Physical Settlement Date and subject to Asset Terms 5(b), 5(c) and 5(f), redeem such Credit Security (or, in the case of Linear Basket Credit Securities, the relevant portion thereof), respectively, by:

- (a) Delivering a pro rata share of the Deliverable Obligations specified in the related Notice of Physical Settlement or NOPS Amendment Notice, as applicable; and
- (b) paying such Security's pro rata portion of the related Physical Settlement Adjustment Rounding Amount.

(b) Partial Cash Settlement Due to Impossibility or Illegality

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 holder of Securities, it is impossible or illegal for the Issuer or the relevant holder of Securities 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 Cash Settlement shall apply with respect to such Undeliverable Obligations and, accordingly, the Issuer shall pay the relevant holders of Securities an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the relevant holders of Securities on the Partial 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 Asset Term 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 Securities 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 Cash Settlement shall apply with respect to such Deliverable Obligations and the

Issuer shall pay to the holders of Securities an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the holders of Securities on the Partial Cash Settlement Date.

(d) Aggregation and Rounding

Where a holder of Securities holds Credit Securities in an aggregate nominal amount outstanding (or, in the case of Partly Paid Securities, a paid-up aggregate nominal amount outstanding) or aggregate notional amount outstanding greater than the Specified Denomination respectively, the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of the Credit Security shall be aggregated for the purposes of this Asset Term 5. If the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of each Credit Securities to be redeemed pursuant to this Asset Term 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 Security 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 Asset Term 5 shall be made in such manner as the Issuer shall determine in good faith and in a commercially reasonable manner, to be appropriate for such Delivery. Subject as set out in the definition of “Deliver”:

- (a) 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 holders of Securities, 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 holders of Securities; and
- (b) any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the holders of Securities 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 holders of Securities have been paid to the satisfaction of the Issuer.

(f) Delivery Notice

A holder of Securities will not be entitled to any of the amounts or assets specified as being due to it in this Asset Term 5(f) 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 Security and delivered to the Calculation Agent a duly completed notice substantially in such form as the Calculation Agent may determine (“Delivery Notice”). For so long as the Credit Securities are held in any clearing system, any communication from such clearing system on behalf of the holder of Securities containing the information required in a Delivery Transfer Notice will be treated as a Delivery Notice.

The Delivery Notice must:

- (i) specify the name and address of the relevant holder of Securities, and the details of the account to which the relevant amounts or assets are to be delivered;
- (ii) include an undertaking by the relevant holder of Securities to pay all taxes, duties and/or expenses arising from or in connection with the delivery of the relevant amounts or assets;

(iii) certify that the beneficial owner of each Security is not a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended, the Security is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and

(iv) authorise the production of such notice in any applicable administrative or legal proceedings.

No Delivery Notice may be withdrawn after receipt thereof by the Calculation Agent. Upon the delivery of the Delivery Notice, the holder of Securities may not transfer the Securities which are the subject of such Delivery Notice.

Failure properly to complete and deliver a Delivery Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Asset Terms shall be made by the Calculation Agent, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant holder of Securities.

If the Delivery Notice is subsequently corrected to the satisfaction of the Issuer, it shall be deemed to be a new Delivery Notice submitted at the time such correction was delivered as provided above.

If the relevant Security and the related Delivery Notice are delivered to the Calculation Agent on a day that is not a Banking Day in the city of the Calculation Agent, such Security and Delivery Notice shall be deemed to be delivered on the next following such Banking Day.

The Issuer shall have no obligation to make delivery of the relevant amounts or assets in respect of such Security unless and until a duly completed Delivery Notice, together with the relevant Security if the Securities are in definitive form, are each delivered as provided above.

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 Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds;

(ii) (the Deliverable Obligation Characteristic “Transferable” is specified in the applicable Final Terms 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 applicable 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 applicable 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 applicable 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 applicable 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”.
- (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 Asset Term 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 Asset Term 9(b) (Mod R) and Asset Term 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 Securities for which:

- (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) Asset Term 5(b) (Partial Cash Settlement Due to Impossibility or Illegality) or Asset Term 5(c) (Non-Delivery of Deliverable Obligations) is applicable, the Calculation Agent shall determine, based on the then current market practice in the market of 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) 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) 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 January 1, 2014;
 - (II) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
 - (III) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.
- (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.
- (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 Securities are Single Reference Entity Credit Securities and a Succession Date has occurred and more than one Successor has been identified, each such Credit Security will be deemed for all purposes to have been divided, with effect from the Succession Date, into the same number of new Credit Securities 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 Securities;
- (ii) in respect of each deemed new Credit Security, 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 Securities will be replicated in each deemed new Credit Security except that the Calculation Agent shall make such modifications as it determines are required in order to preserve the economic effects of the original Credit Securities in the deemed new Credit Securities (considered in aggregate).

(c) Nth-to-Default

Where the Credit Securities are Nth-to-Default Credit Securities:

- (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 Security will be deemed for all purposes to have been divided, with effect from the Succession Date, into a number of new Credit Securities equal to the number of Successors. Each such new Credit Security shall include a Successor and each and every one of the unaffected Reference Entities and the provisions of Asset Term 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) Linear Basket

Where the Credit Securities are Linear Basket Credit Securities, 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 Securities which it determines may be required to preserve the economic effects of the Credit Securities 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 in the basket with respect to 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

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 Asset Terms, 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 Asset Terms, 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; and
- (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.

(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 Asset Terms shall be deemed to apply to an aggregate outstanding principal amount or aggregate outstanding notional amount 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 denominated or any integral multiple thereof or the entire relevant Reference Entity Notional Amount.

In the case of an Nth-to-Default Credit Security, once an Event Determination Date has occurred in respect of the Nth Reference Entity where the Credit Event is an M(M)R Restructuring, no further Credit Event

Notices may be delivered in respect of any other Reference Entity (save to the extent that the Credit Securities are deemed to have been divided into new Credit Securities pursuant to Asset Term 7).

If any Credit Security is subject to partial settlement in accordance with this Asset Term 9, the relevant Credit Security or, if the Credit Securities are represented by a Global Certificate, such Global Certificate shall be endorsed to reflect such partial settlement.

(b) Mod R

If (i) “Physical Settlement” or “Cash Settlement” is specified to be the Settlement Method in the related Final Terms (or is applicable as the Fallback Settlement 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 Settlement Method in the related Final Terms (or is applicable as the Fallback Settlement 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 (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.

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 holders of Securities of such refusal (or deemed refusal) and:

- (i) each such holder of Securities may designate a third party (which may or may not be an Affiliate of such holder of Securities) to take Delivery of the Deliverable Obligation on its behalf; and
- (ii) if a holder of Securities does not designate a third party that takes Delivery on or prior to the date which is three Credit Security Business Days after the Physical Settlement Date, then the Issuer will redeem the Credit Securities for which Delivery has not occurred, by payment of the relevant Partial Cash Settlement Amount to such holder of Securities. For the avoidance of doubt Asset Term 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 Asset Term 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, 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 Securities

(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 pursuant to the Asset Terms shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor (if applicable) and the holders of Securities. 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 delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Credit Securities including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and 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 Securities 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 or settled in part, save to the extent of any such redemption or settlement). 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 Securities. 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

The Calculation Agent, acting reasonably, may (but shall not be obligated to) modify these Asset Terms 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 Hedge Transaction entered into prior to such date or terms thereof. The Calculation Agent shall notify the Issuer and the holders of Securities 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 and the Trustee,

amend, pursuant to this Asset Term 10(c) any of the terms and conditions of the Credit Securities other than the Asset Terms.

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 2003 ISDA Credit Derivatives Definitions, the 2003 ISDA Credit Derivatives Definitions as supplemented by the July 2009 Supplement and/or the 2014 ISDA Credit Derivatives Definitions, as the case may be, 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 the 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 Asset Terms.

This Asset Term 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 holders of Securities in accordance with General Condition 13. Resolutions of the Credit Derivatives Determinations Committee are, as of the date hereof, available on ISDA’s website (www.isda.org) (or any successor website thereto).

(e) Effectiveness of Notices

Any notice referred to in Asset Term 10(d) above which is delivered on or prior to 5.00 p.m. (Hong Kong time) on a Hong Kong Business Day is effective on such date and if delivered after such time or on a day that is not a Hong Kong Business Day, is deemed effective on the next following Hong Kong 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 holders of Securities on or prior to such day, then following notification of the determination of an Excess Amount to the Issuer and holders of Securities in accordance with General Condition 13, the Issuer may deduct any such Excess Amount from future payments in relation to the Credit Securities (whether interest or principal) or may reduce the amount of any assets deliverable under the terms of the Credit Securities to the extent that it determines, acting reasonably, to be necessary to compensate for such Excess Amount.

(g) Provisions Relating to Timing

Subject to Asset Term 10(e) and Asset Term 10(h), in order to determine the day on which an event occurs for purposes of the Asset Terms, 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 Asset Term 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 Securities 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.

ASSET TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

Application: the following terms shall apply to Securities if stated in the relevant Final Terms to be "Fund linked". In the event of any inconsistency between the General Conditions, these Asset Terms (if applicable) and the relevant Final Terms, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the relevant Final Terms;
- (b) these Asset Terms (if applicable); and
- (c) the General Conditions.

1. Definitions

“Dealing Day” means, in respect of a Fund, a day on which such Fund is scheduled to effect the redemption or subscription of the Fund Units, as stated in its Fund Documents, or such other day as specified in the relevant Final Terms.

“Defeasance Date” means the date declared by the Calculation Agent in respect of which it determines that a Defeasance Event has occurred, as notified to holders of Securities in accordance with the General Conditions.

“Disruption Event” means each of a Fund Disruption Event and a Market Disruption Event.

“Disrupted Day” means, in respect of a Fund Unit and the related Fund, a day in respect of which the Issuer determines that a Disruption Event has occurred or is existing and subsisting as of such day.

“Dividend Amounts” means, in respect of a Fund Unit and the Dividend Period:

- (i) if the Issuer and/or any Affiliates thereof has entered into one or more Hedging Arrangements, then:
 - (a) in relation to any Synthetically Hedged Portion, the payments actually received by the Issuer or the Affiliate (as the case may be) pursuant to any such Hedging Arrangement which are determined by reference to the dividends relating to such Fund Unit that would have been paid during such Dividend Period by the related Fund; and
 - (b) in relation to any Remaining Portion, 100% of the dividends relating to such Fund Unit that would have been paid during such Dividend Period by the related Fund to the Hypothetical Investor, net of any taxes and costs that would have been incurred by the Hypothetical Investor (acting reasonably) in respect thereof, as determined by the Calculation Agent, provided that (x) any such dividends that would be paid in property other than cash shall be valued by the Calculation Agent and (y) if the Hypothetical Investor would be entitled to elect payment of such dividends to be made either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment; or
- (ii) otherwise, 100% of the dividends relating to such Fund Unit that would have been paid during such Dividend Period by the related Fund to the Hypothetical Investor, net of any taxes and costs that would have been incurred by the Hypothetical Investor (acting reasonably) in respect thereof, as determined by the Calculation Agent, provided that (a) any such dividends that would be paid in property other than cash shall be valued by the Calculation Agent and (b) if the Hypothetical Investor would be entitled to elect payment of such dividends to be made either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment.

“Dividend Period” means the period from and including the Issuer Date to but excluding the Redemption Valuation Date.

“Dividend Payment Date” means, in respect of a Fund Unit and a Dividend Amount:

- (i) if the Issuer and/or any Affiliates thereof has entered into one or more Hedging Arrangements, the date on which the Issuer or the Affiliate (as the case may be) actually receives such Dividend Amount or the date on which such Dividend Amount would have been paid by the related Fund to the Hypothetical Investor, whichever is the later, as determined by the Calculation Agent; or
- (ii) otherwise, the date on which such Dividend Amount would have been paid by the related Fund to the Hypothetical Investor, as determined by the Calculation Agent.

“**Executive Committee**” means, in respect of a Fund, the group of individuals specified in its Fund Documents as responsible for overseeing the activities of such Fund.

“**Final Price**” means, with respect to any Fund Unit and the Valuation Date:

- (i) the price per related Fund Unit determined by the Calculation Agent as provided in the relevant Final Terms as of the Valuation Time on the Valuation Date; or
- (ii) if no means for determining the Final Price are so provided in the relevant Final Terms and the Issuer and/or any Affiliates thereof has entered into one or more Hedging Arrangements, then:
 - (a) in relation to any Synthetically Hedged Portion, the proceeds actually received by the Issuer or the Affiliate (as the case may be) on or prior to the Valuation Date pursuant to any Hedging Arrangement which are determined by reference to the redemption proceeds or net asset value relating to such Fund Units, as determined by the Calculation Agent; and
 - (b) in relation to the Remaining Portion, the Redemption Proceeds relating to such Fund Unit that would be received by the Hypothetical Investor, in connection with a redemption of all Fund Units that are subject to valuation during the period from, and including, the Initial Observation Date to, and including, the Final Observation Date relating to such Valuation Date, as determined by the Calculation Agent; or
- (iii) if no means for determining the Final Price are so provided in the relevant Final Terms and the Issuer and/or any Affiliates thereof has not entered into any Hedging Arrangements, then the Redemption Proceeds relating to such Fund Unit that would be received by the Hypothetical Investor, in connection with a redemption of all Fund Units that are subject to valuation during the period from, and including, the Initial Observation Date to, and including, the Final Observation Date relating to such Valuation Date, as determined by the Calculation Agent.

“**Final Observation Date**” means, with respect to the Valuation Date and any Fund Unit, the date specified as such in the relevant Final Terms or, if no such date is specified, such Valuation Date, subject to adjustment in accordance with these Asset Terms.

“**Fund**”, in respect of a Fund Unit, means the issuer of such Fund Unit as specified in the relevant Final Terms, in each case subject to replacement following the occurrence of a Fund Substitution Event.

“**Fund Adjustment Event**” means, in respect of a Fund Unit and the related Fund, any of the following events:

- (a) the Fund subdivides, consolidates, or reclassifies the Fund Units (including any side-pocket issuance) or a distribution or dividend of any Fund Units or any other interest in the Fund to any existing holder by way of bonus, capitalisation, reorganisation of the Fund or similar issue;
- (b) any circumstances where, although the Fund Value of the Fund is published, the Issuer reasonably determines that such value is not accurate or that any transaction in respect of the Fund could not be transacted at such value or with a cash consideration in full and to be received as regularly scheduled (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Fund Disruption Event);
- (c) the inability of the Hedging Entity to liquidate Fund Units in accordance with the redemption terms of the Fund Units (including the application of any gating, side-pocketing or other arrangement affecting the Hedging Entity) and any change in the subscription or redemption terms of the Fund Units including, but not limited to, the form of payment, schedule of payments or notice periods that were not otherwise applicable to the Hedging Entity as of the Trade Date;
- (d) the Fund takes any action that may have a diluting or concentrative effect on the theoretical value of the Fund Units;
- (e) the Fund suffers a material adverse change in its accounting, regulatory or tax treatment which does or would adversely affect holders of the Fund Units, or where the Hedging Entity suffers or would

suffer such adverse treatment as a result of the adoption of any accounting, regulatory or tax treatment in respect of a holding of any Fund Units;

- (f) a material change in any fee arrangement that is in place on the Trade Date, temporary or otherwise, between the Hedging Entity and the Fund or the Fund Manager of the Fund;
- (g) a material breach by the Fund Manager or any affiliate of the Fund Manager of any agreement with the Hedging Entity in place on the Trade Date in relation to the hedging of the Securities; or
- (h) a material change in any Hedging Arrangement (whether or not in accordance with its terms) since the date of entry into such Hedging Arrangement by the Issuer or an Affiliate thereof (as the case may be) (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Fund Substitution Event).

“**Fund Administrator**” means, in respect of a Fund, the entity specified in its Fund Documents as responsible for the administration of such Fund and the determination and reporting of the Fund Value of such Fund.

“**Fund Business Day**” means, in respect of a Fund Unit and the related Fund, a day on which such Fund will effect subscription and redemption requests in relation to its Fund Units and/or any day that is a day for which the Fund Administrator or Fund Manager shall calculate the Fund Value of the Fund in accordance with its Fund Documents, or such other day as may be specified in the relevant Final Terms.

“**Fund Currency**” means, in respect of a Fund, the currency specified in respect of such Fund in the relevant Final Terms.

“**Fund Custodian**” means, in respect of a Fund, the entity specified in its Fund Documents as responsible for the custody of the assets of that Fund.

“**Fund Defeasance Event**” means, in respect of a Fund Unit and the related Fund, any of the following events:

- (a) where a Fund Substitution Event has occurred, the Calculation Agent declares that a substitution cannot be effected with a suitable Substitute Fund;
- (b) where a Fund Adjustment Event has occurred, the Calculation Agent declares that no adjustments it could make to the Terms and Conditions of the Securities would produce a commercially reasonable result;
- (c) a Disruption Event exists and subsists at any time during the period from, but excluding, the Issue Date to, and including, the Valuation Date for a consecutive number of days equal to the Maximum Days of Disruption;
- (d) all the Fund Units or all or substantially all the assets of such Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (e) as a result of (i) any adoption of, or change in, law or regulation or its interpretation, (ii) any determination of a regulatory or taxation authority applicable to the Hedging Entity or such Fund, (iii) the application of the Hedging Entity’s regulatory capital treatment or funding treatment of the Securities or its associated hedging arrangements or any change thereto, or (iv) the application of any rules implementing Section 619 of Dodd-Frank Wall Street Reform and Consumer Protection Act, whereupon: (A) it becomes unlawful or prohibited for the Hedging Entity (including any adverse change in restrictions imposed by or on the Hedging Entity) to hold, purchase, sell, redeem or otherwise create, transfer or receive any interest in the Fund; (B) the cost of the hedging arrangements in respect of the Securities would be materially increased (including circumstances (1) requiring the Hedging Entity to adversely modify any reserve, special deposit, funding arrangement or similar requirement imposed by or on the Hedging Entity, (2) that would adversely affect the amount or cost of regulatory capital that would have to be maintained in respect of its hedging

arrangements, or (3) which subject the Hedging Entity to any loss or additional taxation); or (C) there would be a material decline in the Fund Value of such Fund;

- (f) the Hedging Entity is unable, or it is impractical for the Hedging Entity, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to such Fund Unit of entering into and performing its obligations with respect to the Security or, where the Hedging Entity is an entity other than a member of the Issuer Group, the relevant Hedging Arrangement, or (ii) realize, recover or remit the proceeds of any such transaction or asset;
- (g) the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Unit of entering into and performing its obligations with respect to the Security or, where the Hedging Entity is an entity other than a member of the Issuer Group, the relevant Hedging Arrangement, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s); or
- (h) the termination of any Hedging Arrangement prior to the scheduled maturity or termination date under such arrangement.

“Fund Disruption Event” means, in respect of a Fund Unit and the related Fund, any of the following events in respect of the Fund:

- (a) a failure, suspension or postponement in the reporting or publishing of the Fund Value in respect of the Fund as regularly scheduled, taking into account the relevant cure period (including, without limitation, the failure of a Scheduled Redemption Valuation Date to be a Redemption Valuation Date), or any event that prevents the Fund Value in respect of the Fund so published from being received by the people to whom it is published, whereby such event is, in the determination of the Issuer, material;
- (b) any circumstances where, although the Fund Value of the Fund is published, the Issuer reasonably determines that such value is not accurate or that any transaction in respect of the Fund could not be transacted at such value or with a cash consideration in full and to be received as regularly scheduled (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of a Fund Adjustment Event);
- (c) the inability of a Hypothetical Investor, if holding Fund Units as a hedge for the Securities, to liquidate the Fund Units or any other interest received by the Fund when scheduled (including any change to the notice period for redemption or subscriptions, any gating, side-pocketing or other arrangement affecting the Hypothetical Investor);
- (d) a postponement, suspension or failure of the Fund to make any payment in respect of the redemption of any interest in the Fund on any day for which such payment is scheduled to be made in accordance with its Fund Documents (including, without limitation, the failure by the Fund to pay the full amount of the Redemption Proceeds with respect to the relevant number of Fund Unit on or by the Scheduled Redemption Payment Date);
- (e) the Hedging Entity not being permitted by the Fund to subscribe for or redeem interests in the Fund on a relevant business day of the Fund in accordance with its Fund Documents; or
- (f) a postponement of any payment by the Hedging Entity acting as counterparty to any member of the Issuer Group under a Hedging Arrangement in accordance with the terms of such Hedging Arrangement.

“Fund Documents” means, in respect of a Fund Unit and the related Fund, the constitutive and governing documents, subscription agreements, the offering documents and other agreements of the related Fund specifying the terms and conditions relating to such Fund Unit.

“Fund Manager” means, in respect of a Fund Unit and the related Fund, the entity specified in its Fund Documents as responsible for providing investment management advice to such Fund and/or the Fund Administrator and/or the Executive Committee, or other person responsible for providing financial information relating to such Fund to its investors.

“Fund Manager NAV Threshold” means the percentage so specified in the relevant Final Terms.

“Fund NAV Threshold (Percentage)” means the percentage so specified in the relevant Final Terms.

“Fund NAV Threshold (Value)” means the value so specified in the relevant Final Terms.

“Fund Service Provider” means, in respect of a Fund, each of the Fund Manager, the Fund Administrator, the Fund Custodian and any additional service provider (if any) in respect of such Fund.

“Fund Substitution Event” means (and a Fund Substitution Event shall be deemed to have occurred if), in the determination of the Issuer, (a) any of the following events occurs on or after the Trade Date in respect of investors generally, or such event actually occurs with respect to the Hedging Entity or (b) publication of a notice or other dissemination of information in respect of the Fund which indicates that any such event will occur on or after the Trade Date:

- (i) any of following events in respect of a Fund Unit and the related Fund:
 - (A) the winding-up, dissolution, liquidation or other cessation of trading of such Fund Unit or Fund, or any Fund Service Provider unless it is replaced with a successor acceptable to the Issuer;
 - (B) any litigation, arbitration, investigation, proceeding and/or regulatory or governmental action is commenced and is continuing in relation to the activities of the Fund or any Fund Service Provider for reasons of any alleged wrongdoing, breach of any rule or any regulation or other similar reason, which allegation would, if true, in the determination of the Issuer, have a material effect on the Fund Value;
 - (C) loss of an applicable licence or regulatory authorisation necessary for the conduct of the business of the Fund or any Fund Service Provider or any replacement Fund Service Provider (unless the Issuer determines that such event is immaterial);
 - (D) a material change (as determined by the Issuer) to the legal constitution or management of the Fund including, but not limited to, a change in the Fund Manager, or a change in the Fund Manager’s organisation or management (including, but not limited to, a merger or other reorganisation event which materially alters the nature of the Fund or the nature and role of the Fund Manager in relation to the Fund);
 - (E) a modification or breach of the provisions relating to investment objectives, strategies, restrictions and requirements of the Fund as set out in its Fund Documents (the “Investment Objective and Strategy”), which, in the determination of the Issuer, is material;
 - (F) a violation of any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
 - (G) the aggregate net asset value of the Fund (i) decreases by more than the Fund NAV Threshold (Percentage) since the Trade Date or (ii) decreases below the Fund NAV Threshold (Value), in each case, as determined by the Issuer;
 - (H) the aggregate net asset value of assets managed by the Fund Manager decreases by more than the Fund Manager NAV Threshold since the Trade Date, as determined by the Issuer;
 - (I) a material breach by the Fund Manager or any affiliate of the Fund Manager of any agreement with the Hedging Entity in place on the Trade Date in relation to the hedging of the Securities;

- (J) the Fund does not comply with the Inclusion Conditions; or
 - (K) a material change in any Hedging Arrangement (whether or not in accordance with its terms) since the date of entry into such Hedging Arrangement by the Issuer or an Affiliate thereof (as the case may be) (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Fund Adjustment Event).
- (ii) any of the events in respect of a Fund Unit and the related Fund set out in subparagraphs (A) to (D) below that is not remedied reasonably promptly by the Fund (or within the applicable cure periods specified below) to the reasonable satisfaction of the Issuer and that, in the sole determination of the Issuer acting in good faith and in a commercially reasonable manner, has a material effect on the ability of the Hedging Entity to hedge its obligations in respect of the Securities:
- (A) a mandatory redemption occurs (in whole or in part) in respect of any holding of the Fund Units by the Hedging Entity;
 - (B) the Fund charges the Hedging Entity a transaction fee (or equivalent) for any subscription or redemption of its Fund Units;
 - (C) the Hedging Entity is unable to subscribe for or redeem Fund Units on a Dealing Day; or
 - (D) the Fund suffers a material adverse change in its legal, accounting, regulatory or tax treatment that would or does adversely affect the Hedging Entity as holder of the Fund Units or the Hedging Entity becomes subject to taxes or other similar fees payable in respect of a subscription or redemption of the Fund Units and in each case, such change has not been cured within 30 calendar days, provided that the Hedging Entity shall use reasonable efforts to mitigate any such effect.

“**Fund Unit**” means, in respect of a Fund, a share, or, if interests in such Fund are not denominated as shares, a notional unit of account of ownership of such Fund, as specified in the relevant Final Terms.

“**Fund Unit Basket**” means a basket composed of Fund Units in the relative proportions or numbers of Fund Units.

“**Fund Value**” means, in respect of a Fund and any day, the official net asset value per Fund Unit as calculated and reported by its Fund Administrator as of such day.

“**Hedging Arrangement**” means the arrangement, if any, entered into by any member of the Issuer Group (in each case acting in good faith and in a commercially reasonable manner) with a person other than a member of the Issuer Group for the purposes of hedging the risks of the Issuer in respect of the Securities, provided that if any member of the Issuer Group holds Fund Units as a hedge for the Securities, such holding of Fund Units shall not be regarded as a Hedging Arrangement.

“**Hedging Entity**” means (i) in relation to any Synthetically Hedged Portion the entity acting as counterparty to such member of the Issuer Group in respect of the Hedging Arrangement, (ii) in relation to any part of the Remaining Portion in respect of which a member of the Issuer Group is holding Fund Units as a hedge for the Securities, such member and (iii) otherwise, the Issuer.

“**Hypothetical Investor**” means, in respect of a Fund, a hypothetical investor in the Fund Units or any other note received as a distribution in respect of the Fund Units located in the Hypothetical Investor Jurisdiction and deemed to have the benefits and obligations, as provided under the Fund Documents, of an investor holding as of any relevant day an amount of the Fund Units required to hedge the Securities.

“**Hypothetical Investor Jurisdiction**” means such jurisdiction as specified in the relevant Final Terms.

“**Initial Observation Date**” means, with respect to the Valuation Date and a Fund Unit, the date specified as such in the relevant Final Terms or, if no such date is specified, the Scheduled Redemption Valuation Date relating to such Valuation Date or, if the Scheduled Redemption Valuation Date cannot be determined with reasonable certainty, the Redemption Notice Date relating to such Valuation Date.

“**Initial Price**” means:

- (i) the price specified as such in the relevant Final Terms; or
- (ii) if no such price is specified in the relevant Final Terms and the Issuer and/or any Affiliates thereof has entered into one or more Hedging Arrangements, then:
 - (a) in relation to any Synthetically Hedged Portion, the “initial price” or “initial level” under such Hedging Arrangement per Fund Unit at which the Issuer or the Affiliate (as the case may be) acquires exposure to the related Fund or such other price or level having a similar effect (howsoever described), as determined by the Calculation Agent; and
 - (b) in relation to the Remaining Portion, the price per Fund Unit at which the Hypothetical Investor would subscribe for the Fund Units as a hedge for the Remaining Portion plus any associated costs and expenses, as determined by the Calculation Agent; or
- (iii) if no such price is specified in the relevant Final Terms and the Issuer Group has not entered into any Hedging Arrangements, then the price per Fund Unit at which the Hypothetical Investor would subscribe for the Fund Units as a hedge for the Securities plus any associated costs and expenses, as determined by the Calculation Agent.

“**Inclusion Conditions**” means, in respect of a Fund Unit and the related Fund, each of the following conditions:

- (a) *Liquidity*: the Fund shall offer investors the ability to redeem Fund Units held by them or to subscribe for further Fund Units on each Fund Business Day based on the Fund Value for such day, provided such investors shall give notice in accordance with the relevant procedures prescribed by the Fund;
- (b) *Fee Structure*: the Fund shall not charge the Hedging Entity (i) a subscription fee for the subscription of the Fund Units or (ii) a redemption fee for the redemption of the Fund Units, or (iii) taxes of other similar fees payable in respect of a subscription or redemption of the Fund Units;
- (c) *Minimum Fund Size*: the Fund shall have an aggregate net asset value (as reported by its Fund Manager) of a minimum size equal to the Minimum Fund Size; and
- (d) *Publication Requirement*: the Fund shall report the Fund Value for each Fund Business Day applicable to it, which Fund Value shall be reported by the Fund Manager no later than close of business on the following Fund Business Day.

“**Issuer Group**” means the Issuer and its Affiliates.

“**Market Disruption Event**” means, in respect of a Fund Unit and the related Fund, any of the following events:

- (a) when the foreign exchange market or money market in U.S. dollars, the Settlement Currency or respective Fund Currency, is or are closed otherwise than for ordinary public holidays or if trading thereupon is restricted or suspended and, in the determination of the Issuer, this would have a material impact on the ability of the Issuer and/or the Calculation Agent to determine the value of the Securities accurately, in a timely manner or at all or on the ability of the Hedging Entity to execute a hedge in respect of the Securities in any such market; or
- (b) an event pursuant to which there is a breakdown in any means of communication normally used for the valuation by the Calculation Agent of the Fund Unit or if the Fund Manager informs the Issuer or the Calculation Agent, or the Issuer or the Calculation Agent determines at its own discretion, that the last reported Fund Value should not be relied upon.

“**Maximum Days of Disruption**” means, in respect of a Fund, a consecutive number of Business Days, as specified in the relevant Final Terms.

“**Minimum Fund Size**” means the amount specified as such in the relevant Final Terms (or if no Minimum Fund Size is specified in the relevant Final Terms, an amount equal to USD 50,000,000 or the equivalent in any other currency).

“**Portions**” means Synthetically Hedged Portion and/or Remaining Portions.

“**Redemption Notice Date**” means, with respect to any Fund Unit and any Valuation Date, the date specified as such in the relevant Final Terms, or if no such date is specified, the last date on which a Hypothetical Investor in such Fund Unit would be permitted, pursuant to the Fund Documents of the related Fund, to submit a redemption notice that would be timely for a redemption as of the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date.

“**Redemption Proceeds**” means, with respect to the relevant number of Fund Units, the redemption proceeds, as determined by the Calculation Agent, that would be paid by the related Fund to a Hypothetical Investor who, as of the relevant Redemption Valuation Date, redeems such number of such Fund Units; provided that (a) any such proceeds that would be paid in property other than cash shall be valued by the Calculation Agent; and (b) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment.

“**Redemption Valuation Date**” means, with respect to any Fund Unit and any Scheduled Redemption Valuation Date, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) would determine the net asset value of such Fund Unit for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that had submitted a valid notice for redemption on or before the related Redemption Notice Date.

“**Reference Date**” means, unless otherwise specified in the relevant Final Terms, the Valuation Date, subject to adjustment in accordance with these Asset Terms.

“**Scheduled Redemption Valuation Date**” means, with respect to any Fund Unit, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Units), to determine the net asset value of such Fund Unit for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Units based on the value determined as of such date. The Scheduled Redemption Valuation Date relating to any Valuation Date shall be the date specified as such in the relevant Final Terms, or if no such date is specified, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date.

“**Scheduled Redemption Payment Date**” means the date specified as such in the relevant Final Terms, or if no date is so specified, with respect to any Fund Unit and any Scheduled Redemption Valuation Date, the date by which the related Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the redemption proceeds to an investor that has submitted a timely and valid notice requesting redemption of such Fund Unit as of such Scheduled Redemption Valuation Date.

“**Substitution Valuation Date**” has the meaning given to it in Asset Term 2(b) (*Fund Substitution Events*).

“**Trade Date**” means the date so specified in the relevant Final Terms.

“**Valuation Date**” means the date specified as such in the relevant Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day).

“**Valuation Time**” means the time on the Valuation Date specified as such in the relevant Final Terms or, if no such time is specified, the close of business in the Hypothetical Investment Jurisdiction on such Valuation Date.

2. Fund Events

(a) Disruption Events

Unless otherwise specified in the relevant Final Terms, if the Issuer determines that any Reference Date is a Disrupted Day, the Issuer may, in its discretion, acting in good faith and in a commercially reasonable manner, elect to take either of the following actions:

- (i) make any calculation, determination or adjustment of any variable in respect of the Securities and make payment of any amount under the Securities (in cash or other consideration), using an estimate of such variable determined in a commercially reasonable manner, provided that such estimate shall take into account an amount in compensation to a Hypothetical Investor to reflect (A) the risk of holding any Fund Units or other financial instrument (include, without limitation, any over-the-counter derivative) as a hedge under the Securities, and (B) the risk of being unable to redeem or liquidate such Fund Units or other financial instrument into cash in full and without any restrictions as of, or at any time after, the Reference Date; or
- (ii) postpone any payment or calculation in respect of the Reference Date until the first succeeding Business Day which is not a Disrupted Day (such day being the “**Postponed Reference Date**”),

and notice of such election by the Issuer shall be given to holders of Securities in accordance with the General Conditions.

If the Postponed Reference Date falls or, in the determination of the Issuer, is expected to fall, on or after the second Currency Business Day immediately preceding the due date for payment of any amount in respect of any Security, such date shall be postponed until the third Currency Business Day after the latest date on which the Hypothetical Investor would receive in full the proceeds in cash in respect of the redemption of the Fund Units that it would hold as a hedge for the Securities or (if any member of the Issuer Group has entered into any Hedging Arrangement) the latest date on which such member of the Issuer Group receives in full the amounts determined by reference to the redemption of the Fund Units pursuant to such Hedging Arrangement, whichever is the later, unless, in each case, the Issuer determines that the relevant amount can be paid earlier by the Issuer.

(b) Fund Substitution Events

Unless otherwise specified in the relevant Final Terms, if the Issuer determines that a Fund Substitution Event has occurred in respect of a Fund, then the Issuer may, at any time:

- (i) waive such Fund Substitution Event; or
- (ii) substitute such Fund affected by the Fund Substitution Event with one or more funds (each a “**Substitute Fund**”) which comply with the Inclusion Conditions and which in the opinion of the Issuer have a similar geographical focus to, and close correlation with, the Fund subject to the Fund Substitution Event; and/or
- (iii) adjust the weighting of any one or more of the Fund Units (inclusive of any Fund Units of the Substitute Fund, where applicable); and
- (iv) at the discretion of the Issuer, acting in good faith and in a commercially reasonable manner, make any necessary adjustments to the Terms and Conditions of the Securities to account for the economic effect on the Securities of such Fund Substitution Event and to preserve the original economic objective and rationale of the Securities.

As of such date of substitution of the Fund with a Substitute Fund (“**Substitution Valuation Date**”), such Substitute Fund will be deemed to be a Fund for the purposes of these Asset Terms.

Upon making any such determination, the Issuer shall give notice as soon as practicable to the holders of Securities giving details of such Fund Substitution Event and information relating to the Substitute Fund, and/or stating the adjustment to any amount payable under the Securities and/or

any of the other relevant terms, provided that failure to give such notice shall not affect the validity of the Fund Substitution Event or any action taken.

Unless otherwise specified, the Issuer will make all determinations as to the occurrence of a Fund Substitution Event in its discretion, acting in good faith and in a commercially reasonable manner, including determinations as to materiality or the success or acceptability of any cure, mitigation or replacement.

For the avoidance of doubt, the Issuer and the Calculation Agent are under no obligation to monitor compliance of the Funds with the Inclusion Conditions, nor to monitor whether a Fund Substitution Event has occurred. The Issuer and the Calculation Agent shall not be liable to any party or person for losses resulting from violations of the Inclusion Conditions or failure to effect a Fund Substitution Event.

(c) Fund Adjustment Events

Unless otherwise specified in the relevant Final Terms, if, in the determination of the Issuer, a Fund Adjustment Event has occurred in respect of a Fund, the Issuer may make any adjustment it deems appropriate to the Terms and Conditions of the Securities at any time to account for the economic effect on the Securities of such Fund Adjustment Event and to preserve the original economic objective and rationale of the Securities.

Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the holders of Securities stating the adjustment to the Terms and Conditions of the Securities and giving brief details of the Fund Adjustment Event, provided that failure to give such notice shall not affect the validity of the Fund Adjustment Event or any action taken.

(d) Fund Defeasance Events

Unless otherwise specified in the relevant Final Terms, if one or more Fund Defeasance Events occur, the Issuer may, but is not obliged to, declare a Defeasance Date by giving notice to holders of Securities as soon as practicable in accordance with the General Conditions. Following the declaration of a Defeasance Date, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each holder of Securities in respect of each Security held by it an amount equal to the Early Payment Amount on (i) where the terms of the Securities do not provide for the amount payable at maturity to be subject to a minimum amount, such day falling on or after the relevant Defeasance Date as selected by the Issuer in its discretion, (ii) otherwise, the due date for redemption. For the avoidance of doubt, no other amounts shall be payable in respect of the Securities on account of interest or otherwise following such determination by the Issuer.

3. Calculations and Determinations

(a) Construction

For the avoidance of doubt, as used in these Fund-linked Securities Asset Terms, (i) in relation to a term of any formula, “t” means the value of that term for the relevant day or period, as the case may be, and, in relation to other terms in that formula: (A) references to “t” shall be to the value of that term at the same day or period, respectively; and (B) references to “t” plus or minus a specified number (i.e., “t+1”, “t+2”, or “t-1”) shall be to the value of that term for the day or period, as the case may be, falling that specified number of days or periods, respectively, after or before, as the case may be, the day or period to which “t” relates, (ii) in relation to any day or period, as the case may be, “t” means the relevant day or period, respectively and, in respect of that day or period, references to “t” plus or minus a specified number (i.e., “t+1”, “t+2”, or “t+3”) shall be to the day or period falling that specified number of days or periods, respectively, after or before, as the case may be, the day or period to which “t” relates, (iii) in relation to a term of any formula “0” means the value of that term for the initial specified day or period, as the case may be, and, in relation to any day or period, as the case may be, means the initial specified day or period, respectively, and (iv) in relation to a term of any formula “1” means the value of that term for the day or period, as the case may be, immediately following the initial specified day or period, respectively, and, in relation to

any day or period, as the case may be, means the day or period, respectively, immediately following the initial specified day or period.

(b) **Dates of Calculations**

Notwithstanding that certain calculations or determinations in these Fund-linked Securities Asset Terms may be expressed to be “on” a certain date, the Issuer or the Calculation Agent may make such calculations or determinations in respect of that date on a date after that date.

(c) **Use of estimates**

If at any time the Issuer or the Calculation Agent is required to make any estimate in respect of any determination or calculation whilst redemptions are for the time suspended, the Issuer or the Calculation Agent may make such estimate as such amount as it in good faith believes to be the then market value, which may be zero.

4. **Hedging Positions and/or Arrangements**

(a) **No obligation to hedge**

Any member of the Issuer Group may, but is not obliged to, hedge the risks of the Issuer in respect of the Securities, by holding one or more Fund Units and/or by entering into one or more Hedging Arrangements. If the Issuer Group enters into one or more Hedging Arrangements, then for the purposes of these Asset Terms, the Securities shall be deemed to comprise a number of “**Synthetically Hedged Portions**”, each of which refers to an outstanding nominal amount of Securities the risks of which are hedged through a single Hedging Arrangement, and one “**Remaining Portion**”, which refers to the outstanding nominal amount of Securities the risks of which are not hedged through any Hedging Arrangement.

(b) **Redemption Amount**

Unless otherwise specified in the Final Terms, if the Securities comprise two or more Portions, the Redemption Amount shall be the aggregate of the amounts calculated using the formula or methodology specified in the Final Terms for calculating such amount applied to each such Portion separately.

5. **Currency Conversions**

If any amounts required to be calculated in respect of the Securities are in a different currency from the Settlement Currency, the Calculation Agent may convert such amounts into the Settlement Currency at such rates of exchange on such day(s) as determined by the Calculation Agent at its sole and absolute discretion, acting in good faith and in a commercially reasonable manner. For the avoidance of doubt, the Calculation Agent shall be entitled to take into account any appropriate transaction spread on the relevant day(s) of conversion for this purpose.

USE OF PROCEEDS

The net proceeds from each issue of Securities will be applied by the Issuer for acquisition of Underlying Assets, establishment of the hedging arrangements and/or general funding purposes.

DESCRIPTION OF THE ISSUER

Group

The Issuer is a BVI business company with limited liability incorporated in, and under the laws of, the British Virgin Islands on 22 January 2014 and having its registered office at the date hereof at 2/F Palm Grove House, P.O. Box 3340, Road Town, Tortola, British Virgin Islands, and is wholly owned by CSI Global Markets Holdings Limited, a company incorporated in, and under the laws of, the British Virgin Islands, a wholly owned subsidiary of CLSA B.V. (a company incorporated in the Netherlands), which is wholly owned by the Securities Guarantor. The Securities Guarantor is wholly owned by CITIC Securities Company Limited, a leading Chinese securities company dually listed in China (600030.CH) and Hong Kong (6030.HK) (the “Group”). The shareholding structure of the Group (not showing all the levels of subsidiaries) can be found in the annual report of CITIC Securities Company Limited via the link of <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0423/2020042300532.pdf>. There may be an internal restructuring in the near future whereby the Issuer will become a direct subsidiary of the Securities Guarantor. The description of the shareholding structure of the Issuer is correct as of the date of this Base Programme Document.

As at the date of this Base Programme Document, the issued share capital of the Issuer is USD 1.00 represented by one share with a nominal value of USD 1.00. The said one share has been fully paid up.

The Issuer is a special purpose vehicle for the purposes of the listing rules of the Authority.

The latest audited consolidated annual financial statements of CITIC Securities Company Limited for the year ended 31 December 2019 can be found via the link of: <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0423/2020042300532.pdf>

Business

The Issuer’s primary business areas are, to the extent compliant to relevant regulations, the following:

- To issue various debt securities, bonds, certificates, warrants and other debt securities, or similar instruments, whether or not accompanied by guarantees, with any type of underlying securities including, without limitation, corporate stock, any other capital security or security other than capital, index, currency, exchange rate, interest rate, dividend, credit risk, fund unit, investment company stock, term deposit, life insurance contract, loan, merchandise, term contract, option, warrant or option coupons, allocated or unallocated precious metals, unit of account, basket or any other factor or any other type of underlying securities or any combination of the latter;
- To purchase, hold, dispose of, lend, loan or resell, by any means, including in particular the use of trusts, in trust or repurchase, any type of assets whatever their names and forms and whether or not accompanied by guarantees, in particular financial instruments, or any other debt securities, acknowledgements or debts or capital securities; and
- To receive or issue money loans (including loans convertible into shares of the Issuer) – within the group of companies to which the Issuer belongs – and to supply guarantees in any form (actual guarantees such as pledges, securities, mortgages or other – personal guarantees or any other form of guarantee), for their own account, for the account of the group of companies to which the Issuer belongs or behalf of third parties.

Auditor and financial year

The auditors for the Group are PricewaterhouseCoopers Zhong Tian LLP at 11/F, PricewaterhouseCoopers Center, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai and PricewaterhouseCoopers at 22/F, Prince’s Building, Central, Hong Kong.

The financial year end is 31 December.

Directors and employees

Currently, the directors of the Issuer are:

- LIU Liang, Director, appointed on 6 November 2019;
- SHI Liang, Director, appointed on 18 June 2020; and
- XU Jianqiang (James), Director, appointed on 18 June 2020.

The business address for each of the above directors is: 18/F, One Pacific Place, 88 Queensway, Hong Kong.

There are no employees of the Issuer.

Subsidiaries

The Issuer has no direct or indirect subsidiaries.

Material interests

CSI Capital Management Limited, CSI Global Markets Limited, CLSA (UK), CLSA Limited and their affiliates may act in a number of capacities (such as acting as the Calculation Agent or the Dealer) in connection with any issue of the Securities. CSI Capital Management Limited, CSI Global Markets Limited, CLSA (UK), CLSA Limited or any such affiliate, as the case may be, shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of its or any affiliate acting in any other capacity, be deemed to have other duties or responsibilities or 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 the relevant capacity. The Dealer, the Securities Guarantor, the Calculation Agent, the Issuer and their affiliates may have common directors from time to time. Currently, XU Jianqiang (James) serves as director of CSI Global Markets Limited, the Calculation Agent, the Securities Guarantor and the Issuer, SHI Liang serves as a director of CSI Global Markets Limited, the Issuer and the Calculation Agent and ZHANG Youjun and YU Yang serve as directors of both the Securities Guarantor and CLSA Limited.

Others

Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems to be specifically directed and disclosed by the Issuer, no action has been or will be taken in any country or jurisdiction by the Issuer that would permit a public offering of Securities, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Prospectus comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Securities or have in their possession or distribute such offering material, in all cases at their own expense. The Issuer will only offer, sell and deliver the Securities to investors who are permitted by the laws of the jurisdiction in which they are situated to receive offers, sales and deliveries of the Securities.

DESCRIPTION OF THE SECURITIES GUARANTOR

The Securities Guarantor is a company incorporated in, and under the laws of, Hong Kong with limited liability, and is wholly owned by CITIC Securities Company Limited, a leading Chinese securities company dually listed in China (600030.CH) and Hong Kong (6030.HK).

The Securities Guarantor is to act as a conduit for CITIC Securities Company Limited to spearhead its expansion into global financial markets, including Hong Kong. The principal activity of the Securities Guarantor is investment holding.

Currently, the directors of the Securities Guarantor are:

- ZHANG Youjun – Director;
- LI Chunbo – Director;
- YU Yang – Director; and
- XU Jianqiang – Director.

GENERAL TAXATION INFORMATION

The following summary intended only as a general guide to certain limited Hong Kong tax considerations and does not purport to be a complete analysis of all potential tax consequences relating to the Securities. Some aspects may not apply to certain classes of persons to whom special rules may apply.

The summary is based on current law and on what is understood to be current practice, both of which may change, possibly with retroactive effect. The summary is intended to be for information purposes only and is not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of holders of Securities for each issue will depend on the terms of a particular Security, as specified in the terms and conditions of the Security as amended and supplemented by the relevant Final Terms. Further statements regarding the tax treatment of particular classes of holder of Securities may be contained in the relevant Final Terms.

Prospective holders of Securities should obtain their own professional tax advice in all relevant jurisdictions about their particular tax treatment in relation to such Securities.

Prospective purchasers of Securities should carefully consider General Condition 6(g) which provides that neither the Issuer nor the Securities Guarantor (if applicable) shall be required to gross up or otherwise increase any payment made on or in respect of the Securities which is required to be made subject to any tax, duty, deduction, withholding or other payment. The provisions relating to payment of Delivery Expenses by the relevant holder of Securities on physical delivery of the Underlying Asset(s) set out in the relevant Asset Terms should be considered carefully by all potential purchasers of Securities which may be redeemed by delivery of the Underlying Asset(s).

Hong Kong Taxation

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest in respect of the Securities or in respect of any capital gains arising from the sale of the Securities.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) (the “**Inland Revenue Ordinance**”) as it is currently applied by the Inland Revenue Department of Hong Kong, interest on the Securities is not subject to Hong Kong profits tax except under the following circumstances:

- (a) interest on the Securities is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;
- (b) interest on the Securities is derived from Hong Kong and is received by or accrues to a person other than a company carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (c) interest on the Securities is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (d) interest on the Securities is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Securities will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or other redemption of the Securities will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of the Securities will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Securities are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No stamp duty is payable on the issue of a Series of Securities. Stamp duty may be payable on any transfer of Securities if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Securities provided that either:

- (a) the Securities are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) the Securities constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the “SDO”)).

With effect from 1 August 2021, if stamp duty is payable in respect of the transfer of Securities, it will be payable at the rate of 0.26 per cent. (of which 0.13 per cent. is payable by the seller and 0.13 per cent. is payable by the purchaser) normally by reference to the consideration of the relevant transaction or its value, whichever is higher. If, in the case of either the sale or purchase of such Securities, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Securities if the relevant transfer is required to be registered in Hong Kong.

Potential Withholding Tax Imposed Pursuant to FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, (the “Code”), commonly known as FATCA, withholding may be required on, among other things, (i) certain payments made by “foreign financial institutions” (“foreign passthru payments”) (ii) certain U.S. source payments (including dividend equivalent payments, as described below) and (iii) payments of gross proceeds from the disposition of assets that can produce U.S. source interest or dividends (including assets that generate dividend equivalent payments), in each case, to persons that fail to meet certain certification, reporting, or related requirements. However, proposed U.S. Treasury regulations have been issued that provide for the repeal of the withholding tax applicable to payments of gross proceeds from the disposition of assets that generate dividend equivalent payments, and in the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of the final regulations. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the British Virgin Islands and Hong Kong) 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.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities are uncertain and may be subject to change. Even if withholding would be required with respect to foreign passthru payments pursuant to FATCA or an IGA, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. For a Security that produces withholdable payments solely because the Security is treated as giving rise to dividend equivalent payments, such Security generally would be “grandfathered” for purposes of FATCA withholding if the Security is issued on or prior to the date that is six months after the date on which obligations of its type are first treated as giving rise to dividend equivalent payments, unless the Security is materially modified after such date (including by reason of a substitution of the Issuer). (See “Potential U.S. Withholding on Dividend Equivalent Payments” below). However, if additional securities (as described under “General Terms and Conditions of the Securities - Further Issues”) that are not distinguishable from outstanding Securities in the same series issued prior to the expiration of the grandfathering period are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all securities in the series, including grandfathered Securities, as subject to withholding under FATCA. In the event that any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person would be required to pay additional amounts as a result of such withholding.

While a payment could be subject to U.S. withholding both under FATCA and as a result of such payment being treated as a dividend equivalent payment, the maximum rate of U.S. withholding on such payment would not exceed 30 per cent.

FATCA is particularly complex and significant aspects of when and how FATCA will apply remain unclear. Each holder of Securities should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how FATCA might affect such holder of Securities in its particular circumstance.

Information Reporting Obligations

Information relating to the Securities, their holders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes. This may include (but is not limited to) information relating to the value of the Securities, amounts paid or credited with respect to the Securities, details of the holders or beneficial owners of the Securities and information and documents in connection with transactions relating to the Securities. In certain circumstances, the information obtained by a tax authority may be provided to tax authorities in other countries. Some jurisdictions operate a withholding system in place of, or in addition to, such provision of information requirements. Pursuant to the “General Terms and Conditions of the Securities - Further Issues” and subject to certain limitations, a holder or beneficial owner of Securities is required to provide information requested by the Issuer and/or any agent acting on its behalf for purposes of the Issuer’s compliance with applicable information reporting regimes.

The British Virgin Islands (“BVI”) Taxation

As a company incorporated under the BVI Business Companies Act, the Issuer is exempt from all provisions of the Income Tax Act of the British Virgin Islands (including with respect to all dividends, interests, rents, royalties, compensation and other amounts payable by the company to persons who are not persons resident in the British Virgin Islands).

Capital gains realised with respect to any shares, debt obligations or other securities of a company by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Act of the British Virgin Islands.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the British Virgin Islands with respect to any shares, debt obligations or other securities of the company, save for interest payable to or for the benefit of an individual resident in the European Union.

No stamp duty is payable in the British Virgin Islands on a transfer of shares, debt obligations or other securities of the Issuer provided that the Issuer and its subsidiaries (if any) do not own an interest in any land in the British Virgin Islands.

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or the CMU Service (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but does not take any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The applicable Final Terms will specify the Clearing System(s) applicable for each Series. If it does not so specify, the Securities are in definitive form and not cleared and settled through the Clearing System(s).

The Clearing Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services, including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

CMU

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority (the “HKMA”) for the safe custody and electronic trading between the members of this service (“CMU Members”) of capital markets instruments (“CMU Securities”) which are specified in the CMU Service Reference Manual as capable of being held within the CMU Service.

The CMU Service is only available to CMU Securities issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons.

Membership of the CMU Service is open to all members of the Hong Kong Capital Markets Association and “authorized institutions” under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European Clearing Systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Securities. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Service Members to whose accounts payments in respect of the relevant CMU Securities are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-US beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Securities held in the CMU Service will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

Relationship of Accountholders with Clearing Systems

Save as provided in the following paragraph, each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Security represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system or agent (as the case may be) for his share of each payment made by the Issuer to the holder of the underlying Securities, as the case may be, and in relation to all other rights arising under the Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system or agent (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Securities for so long as the Securities are represented by such Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the underlying Securities, as the case may be, in respect of each amount so paid. If a Global Certificate is lodged with the CMU Service, the person(s) for whose account(s) interests in such Global Certificate are credited as being held in the CMU Service in accordance with the CMU Rules as notified by the CMU Service to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be the only person(s) entitled to receive payments in respect of Securities represented by such Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Certificate are credited as being held in the CMU Service in respect of each amount so paid. Each of the persons shown in the records of the CMU Service, as the beneficial holder of a particular nominal amount of Securities represented by such Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Issuer in respect of such Global Certificate.

SUBSCRIPTION AND SALE

The Issuer may appoint one or more Dealer(s) from time to time pursuant to a dealer agreement (as amended, restated or supplemented from time to time, the “**Dealer Agreement**”) relating to the Programme between the Issuer, the Securities Guarantor and the Dealers named in it, pursuant to which each Dealer (appointed by the Issuer from time to time) will agree that it will also comply with the following selling restrictions.

General

With regard to each issue of Securities, any Dealer will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes this Base Programme Document and the relevant Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries, and neither the Issuer nor the Guarantor nor any other Dealer shall have any responsibility therefor.

None of the Issuer or any Dealer represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each series, any Dealer will be required to comply with such other restrictions as shall be set out in the relevant Final Terms.

United States

The Securities and the Securities Guarantee have not been and will not be registered under the Securities Act and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer or sell Securities and the Securities Guarantee (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified by such Dealer (or, in the case of an identifiable tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering of such tranche of Securities) may violate the registration requirements of the Securities Act.

This Base Programme Document has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Base Programme Document does not constitute an offer to any person in the United States. Distribution of this Base Programme Document by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is

unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

Hong Kong

In relation to each Tranche of Securities issued by the Issuer, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong other than (i) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

People’s Republic of China

Each Dealer has represented and agreed that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan), except as permitted by the securities laws of the People’s Republic of China.

Macau

Each Dealer has represented, warranted and agreed that the Securities are not being and may not be marketed, promoted, offered, sold or delivered, directly or indirectly, in the Macau Special Administrative Region (“**Macau**”) or to any Macau residents or entities, or to others for re-offering or resale directly or indirectly in Macau, and any document relating to the Securities may not be distributed or circulated in Macau, except under the terms and in compliance with the Macau Financial System Act and any other laws, regulations and guidelines of Macau that may apply to the marketing, promotion, offer, sale or delivery of the Securities in Macau. The Securities are not registered or otherwise authorised for public offer under the Financial System Act of Macau, and may not be marketed, promoted, offered, sold or delivered in Macau, unless such marketing, promotion, offer, sale or delivery is made by Macau licensed entities according to the Macau Financial System Act and other laws, regulations and guidelines and upon their communication to the Macau Monetary Authority, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

Taiwan

The Securities have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority or agency of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be sold, offered or issued within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority or agency of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Securities in Taiwan.

Singapore

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that this Base Programme Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused such Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or cause such Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Programme Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulation 2018 of Singapore.

Bermuda

Each Dealer, severally and not jointly, has represented, warranted and agreed that it has not made or will not make any invitation to the public in Bermuda to offer or sell the Securities.

British Virgin Islands

Each Dealer has represented, warranted and agreed that no invitation has been or will be made directly or indirectly to the public in the British Virgin Islands or any natural person who is a resident or citizen in the British Virgin Islands to subscribe for any of the Securities. This Base Programme Document does not constitute, and will not be, an offering of the Securities to any person in the British Virgin Islands.

Cayman Islands

Each Dealer has represented, warranted and agreed that it has not made and will not make any invitation, whether directly or indirectly, to the public in the Cayman Islands to offer or sell the Securities.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities 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 “retained EU law”, as defined in 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 “retained EU law”, as defined in the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of “retained EU law”, as defined in the EUWA; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

EEA

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Programme Document as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (c) 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 MiFID II; or
 - ii. a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - iii. not a qualified investor as defined in the Prospectus Regulation; and
- (d) 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities

Japan

The Securities 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”) and each Dealer has represented and agreed with the Issuer, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) 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.

Republic of Korea

The Securities have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Republic of Korea (“**Korea**”), as amended and the decrees and regulations thereunder (“**FSCMA**”) and have not been and may not be offered, sold and delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Act of Korea), except pursuant to the applicable laws and regulations of Korea, including, but not limited to, the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “**FETL**”). Furthermore, the purchaser of the Securities shall comply with all applicable regulatory requirements (including, but not limited to, requirements under the FETL) in connection with the purchase of the Securities.

India

No invitation, offer or sale to purchase or subscribe to the Securities issued by the Issuer is made or intended to be made to the public in India through this Base Programme Document or any amendment or supplement thereto. Neither this Base Programme Document nor any amendment or supplement thereto is a prospectus, offer document or advertisement nor has it been or will be submitted or registered as a prospectus or offer document under any applicable law or regulation in India. Neither this Base Programme Document nor any amendment or supplement thereto has been reviewed, approved, or recommended by any Registrar of Companies in India, the Securities and Exchange Board of India, the Reserve Bank of India, any stock exchange in India or any other Indian regulatory authority.

Accordingly, no person may make any invitation, offer or sale of any Securities, nor may this Base Programme Document nor any amendment or supplement thereto nor any other document, material, notice or circular in connection with the invitation, offer or sale for subscription or purchase of any Securities (“**Offer**”) be circulated or distributed whether directly or indirectly to, or for the account or benefit of, any person resident in India, other than strictly on a private and confidential basis and so long as any such Offer is not calculated to result, directly or indirectly, in the Securities becoming available for subscription or purchase by persons other than those receiving such offer or invitation. Notwithstanding the foregoing, in no event shall the Offer be made directly or indirectly, in any circumstances which would constitute an offer to the public in India within the meaning of any applicable law or regulation.

Any Offer of Securities in accordance with the foregoing to a person in India shall be made subject to compliance with all applicable Indian laws including, without limitation, the Foreign Exchange Management Act, 1999, as amended, and any guidelines, rules, regulations, circulars or notifications issued by the Reserve Bank of India, the Securities and Exchange Board of India and any other Indian regulatory authority.

Each investor in the Securities acknowledges, represents and agrees that it is eligible to invest in the Securities under applicable laws and regulations in India and that it is not prohibited or debarred under any law or regulation from acquiring, owning or selling the Securities.

Malaysia

No approval or authorisation from the Securities Commission Malaysia (“**SC**”) has been or will be obtained and no lodgement with the SC has been or will be made for the offering or issuance of the Securities. Accordingly, the Securities may not be offered, sold, transferred or otherwise disposed directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to non-retail investor(s) in Malaysia by way of a secondary transaction of the Securities. “**Non-retail investor**” means (i) high net-worth individual; (ii) high net-worth entity or (iii) an accredited investor as described in Schedule 1 of Guidelines on Sales Practices of Unlisted Capital Market Products revised on 26 November 2019, issued by the SC.

Philippines

The Securities being offered or sold herein have not been registered with the Philippine Securities and Exchange Commission under the Securities Regulation Code (the “Code”). Any future offer or sale of the Securities is subject to the registration requirements under the Code unless such offer or sale qualifies as an exempt transaction

The offer and sale of the Securities exclusively to Qualified Buyers, as defined under the Code, is an exempt transaction which does not require registration with the Philippine SEC.

Thailand

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell in Thailand, whether directly or indirectly, any Securities, not made and will not make, whether directly or indirectly, any advertisement, invitation or document relating to the Securities in Thailand, and not circulated or distributed, nor will it circulate or distribute, the Base Programme Document in relation to the Securities or any other documents or material in connection with the offering of the Securities, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any persons in Thailand.

GENERAL INFORMATION

Authorisation of the Issuer

The establishment of the Programme and issue and performance of the Securities were authorised by the board of directors of the Issuer on 28 July 2014 and 17 September 2015. The Listing of the Programme was authorised by the board of directors of the Issuer on 13 December 2018.

Authorisation of the Securities Guarantor

The entry into and performance of the Securities Guarantee were authorised by the board of directors of the Securities Guarantor on 28 July 2014, 17 September 2015.

Listing

Application has been made to the Authority for permission to deal in and quotation for any Securities which are agreed at the time of issue thereof to be so listed on the Exchange. Such permission will be granted when such Securities have been admitted to trading on the Official List of the Exchange.

Litigation

There are no legal or arbitration proceedings against the Issuer (including such proceedings that are threatened of which the Issuer is aware) that may have or have had (covering at least the previous 12 months) a significant effect on the Issuer's financial position.

No significant change

Since the last audited annual financial statements of the Group] for the year ended 31 December 2019 there have been no material adverse changes to the financial or trading position of the Issuer or the Group.

Documents for Inspection

For so long as any Security remains outstanding, copies of the following documents will, when published from time to time, be available for inspection during normal business hours on any business day (except Saturdays, Sundays and public holidays) at the specified office of the Fiscal Agent:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the Memorandum and Articles of Association of the Securities Guarantor;
- (c) the Deed of Covenant;
- (d) the Dealer Agreement;
- (e) a copy of this Base Programme Document together with any supplement to this Base Programme Document (if any) or further Base Programme Document (if any);
- (f) for as long as any Guaranteed Series remains outstanding, the Securities Guarantee for the relevant Guaranteed Series;
- (g) the Agency Agreement;
- (h) for as long as any Guaranteed Series remains outstanding, the most recently published annual and (if applicable) interim financial statements of the Securities Guarantor;
- (i) the relevant Final Terms in respect of a Series of Securities; and

- (j) a copy of any notice given by the Issuer in respect of any relevant Series of Securities pursuant to the terms and conditions of the Securities.

If a holder of Securities requests a photocopy of any display document, the Issuer may charge a reasonable fee to reflect the cost of making such a photocopy.

APPENDIX 1 – FORM OF FINAL TERMS

FORM OF FINAL TERMS

Final Terms dated [•]

CSI Financial Products Limited

[*Title of Securities*] [linked to [•]] due [•] (the "Securities")

issued pursuant to the U.S.\$15,000,000,000 Global Securities Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Base Programme Document dated 22 December 2021 (as may be amended, restated and/or supplemented from time to time) and all references to Conditions in this Final Terms are to the General Conditions and the applicable Asset Terms and Conditions set out in the Base Programme Document. This document constitutes the Final Terms of the Securities described herein. Copies of the Base Programme Document [and each supplemental Base Programme Document] may be obtained from the offices of the Fiscal Agent specified herein.

This Final Terms comprises the final terms for the issuance of the Securities. Dealings in the Securities are expected to commence on or about the date of this Final Terms.

[No application has been made (nor is it proposed that any application will be made) for listing of the Securities on any stock exchange.][An application [has been made] / [will be made] for listing of the Securities on [the Exchange] / [*insert any other exchange where Securities will be listed*].]

(Include whichever of the following apply or specify as "Not Applicable" (N/A). Italics denote guidance for completing the Final Terms.)

1	Issuer:	CSI Financial Products Limited
2	(i) Securities Guarantor:	[CITIC Securities International Company Limited (中信証券國際有限公司) 26 th Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong] [Not Applicable]
	(ii) Securities Guarantee:	[Applicable / Not Applicable]
3	Series Number:	[•]/[Not Applicable]
4	Specified Currency:	[•]
5	Settlement Currency:	[•]
6	Aggregate Nominal Amount:	[•]
7	Issue Price:	[•] per cent. of the Aggregate Nominal Amount
8	Specified Denomination:	[•]
9	Minimum Transferable Number of Securities:	[•]/[Not Applicable]
10	Minimum Trading Lot:	[•]/[Not Applicable]
11	Issue Date:	[•]

	(i) Trade Date:	[•]/[Not Applicable]
12	Maturity Date:	[•]
13	Interest Basis:	[Fixed Rate]/[Floating Rate]/[Zero Coupon][See Appendix]/[Not Applicable]
14	Premium Basis:	[Applicable (further particulars below)]/[Not Applicable]
15	Redemption/Payment Basis:	[Redemption at par]/[Instalment]/ [Equity-linked]/[Equity Index-linked]/[Interest Rate-linked]/[Credit]/[Fund-linked]
16	Put/Call Options:	[[Put]/[Call] (further particulars specified below)]/[Not Applicable]
17	Business Centre(s):	[•]
18	RMB/U.S.\$ Exchange Rate:	[•]/[Not Applicable]

PROVISIONS RELATING TO INTEREST AND OTHER CALCULATION

19	Fixed Rate Provisions:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate(s) of Interest:	[[•] per cent. per annum]/[Not Applicable]
	(ii) Interest Commencement Date:	[•]/[Issue Date]
	(iii) Interest Payment Date(s):	[[•]in each year]/ [•] [, subject to adjustment in accordance with the Business Day Convention] <i>(N.B. The General Conditions automatically adjusts all dates for payment purposes so adjustment wording should only be added here if dates will adjust for calculation purposes too)</i>
	(iv) Business Day Convention:	[Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]
	(v) Interest Amount(s) per Security:	[[•] per Specified Denomination]/[[•] per cent. of the Specified Denomination]/[Not Applicable]
	(vi) Day Count Fraction:	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
	(vii) Determination Date(s):	[•]/[Not Applicable] <i>(Insert regular Interest Payment Dates, ignoring the Maturity Date in the case of a long or short last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual – ICMA)</i>
	(viii) Other terms relating to the method of calculating interest for Fixed Rate Securities:	[Not Applicable]/ [•] <i>(Specify details)</i>

20	Floating Rate Provisions:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Interest Commencement Date:	[•]/[Issue Date]
	(ii) Interest Payment Date(s):	[[•] in each year]/ [•] [, subject to adjustment in accordance with the Business Day Convention]
	(iii) Business Day Convention:	[Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Other - specify details]
	(iv) ISDA Determination:	
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]/[The first day of that Interest Period]
	– ISDA Definitions: <i>(if different from those set out in the Conditions)</i>	[•]/[Not Applicable]
	(v) Margin(s):	[[+/-][•]per cent. per annum]/[Not Applicable]
	(vi) Minimum Rate of Interest:	[[•]per cent. per annum]/[Not Applicable]
	(vii) Maximum Rate of Interest:	[[•]per cent. per annum]/[Not Applicable]
	(viii) Day Count Fraction:	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
	(ix) Determination Date(s):	[•]/[Not Applicable] <i>(Insert regular Interest Payment Dates, ignoring the Maturity Date in the case of a long or short last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual - ICMA)</i>
	(x) Rate Multiplier:	[•]/[Not Applicable]
	(xi) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions:	[•]/[Not Applicable]

- (xii) Pre-nominated Replacement Reference Rate [•]
- 21 **Premium Provisions:** [Applicable]/[Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Premium: [•] per cent. per annum
- (ii) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360]/ [360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
- (iii) Determination Date(s): [•]/[Not Applicable]
(Insert regular Premium Payment Dates, ignoring the Maturity Date in the case of a long or short last period. N.B. Only relevant where Day Count Fraction is Actual/Actual - ICMA)
- (iv) Premium Commencement Date: [•]/[Issue Date]
- (v) Premium Amount(s): [[•] per Specified Denomination]/[[•] per cent. of the Specified Denomination]
- (vi) Premium Payment Date(s): [[•] in each year]/ [•] [, subject to adjustment in accordance with the Business Day Convention]]/[Each Interest Payment Date]
- 22 **Zero Coupon Provisions:** [Applicable]/[Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortisation Yield: [•] per cent. per annum
- (ii) Any other formula / basis of determining amount payable: [•]
- (iii) Day Count Fraction in relation to Early Payment Amount and late payment: [•]

PROVISIONS RELATING TO REDEMPTION

- 23 Redemption Amount: [The Redemption Amount in respect of each Security will be the [Specified Denomination]/[the amount determined in accordance with the Conditions]]/[Not Applicable]/[See Appendix/ *specify details*]
- (i) Initial Price: [Not Applicable]/[As determined in accordance with the Fund-linked Securities Asset Terms]/ [Other (*specify*)]
- (ii) Final Price: [Not Applicable]/ [As determined in accordance with the Fund-linked Securities Asset Terms] / [Other (*specify*)]
- (iii) Valuation Date: [Not Applicable]/ [*to specify*]

	(iv) Valuation Time:	[Not Applicable]/ [As determined in accordance with the Fund-linked Securities Asset Terms] / [Other (<i>specify</i>)]
	(v) Initial Observation Date:	[Not Applicable]/ [As determined in accordance with the Fund-linked Securities Asset Terms] / [Other (<i>specify</i>)]
	(vi) Final Observation Date:	[Not Applicable]/ [As determined in accordance with the Fund-linked Securities Asset Terms] / [Other (<i>specify</i>)]
	(vii) Redemption Notice Date:	[Not Applicable]/[As determined in accordance with the Fund-linked Securities Asset Terms] / [Other (<i>specify</i>)]
	(viii) Scheduled Redemption Valuation Date:	[Not Applicable]/ [As determined in accordance with the Fund-linked Securities Asset Terms] / [Other (<i>specify</i>)]
	(ix) Scheduled Redemption Payment Date:	[Not Applicable]/[As determined in accordance with the Fund-linked Securities Asset Terms] / [Other (<i>specify</i>)]
	(x) Hedging Disruption Event:	[Applicable]/ [Not Applicable]/ [<i>to specify details</i>]
	(xi) Increased Cost of Hedging Event:	[Applicable]/ [Not Applicable]/ [<i>to specify details</i>]
	(xii) Other terms and conditions:	[Not Applicable] / [<i>to specify</i>]
24	Details relating to Instalment Securities:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Instalment Amount(s):	[•]
	(ii) Instalment Date(s):	[•] <i>(N.B. Instalment Dates must fall on an Interest Payment Date)</i>
25	Call Option:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[[•]per cent. of the Specified Denomination [together with any interest/premium accrued to the date fixed for redemption]]/ [•]
	(iii) If redeemable in part:	[•]/[Not Applicable]
	(a) Minimum Nominal Amount to be redeemed:	[•]
	(b) Maximum Nominal Amount to be redeemed:	[•]
	(iv) Description of any other Issuer's option:	[•]/[Not Applicable]
	(v) Notice period:	[As per the General Conditions]/[Not less than [•] Business Days]

- 26 Put Option: [Applicable]/[Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[•]per cent. of the Specified Denomination [together with any interest/premium accrued to the date fixed for redemption]]/ [•]
- (iii) Description of any other holder of Securities's option: [•]/[Not Applicable]
- (iv) Notice Period: [As per the General Conditions]/[Not less than [•]Business Days]

ASSET TERMS AND CONDITIONS

- 27 Equity-linked Securities: [Applicable]/[Not Applicable][The Asset Terms and Conditions for Equity-Linked Securities shall apply]
(If not applicable, delete the following sub-paragraphs of this paragraph)
- Single Share or Share Basket: [Single Share]/[Share Basket]
- (i) Share Issuer: [•] *(Specify name of Share Issuer)*
- (ii) Share [and Weighting]: [•] *(Specify name of Share)* [with a Weighting of [•]%]
(Specify separately for each Share)
- (iii) ISIN: [•]
- (iv) Bloomberg code: [•]
- (v) Information source: [•]
- (vi) Exchange: [•]
- (vii) Related Exchange: [•]/[All Exchanges]
- (viii) Consequences of Disrupted Days - Adjustment basis for Securities relating to a single Share Basket and Valuation Dates: [Not Applicable]/[Single Share Basket and Valuation Date(s) - [Affected Postponement Only]/[Whole Basket Postponement]]
- (ix) Consequences of Disrupted Days - Adjustment basis for Securities relating to a single [Single Share]/[Share Basket] and Averaging Dates: [Not Applicable]
[Share Basket and Averaging Dates - [Affected Postponement Only] / [Whole Basket Postponement]
(If not applicable, delete the following sub-paragraphs of this paragraph)
- (a) Omission: [Applicable]/[Not Applicable]

(b) Postponement:	[Applicable]/[Not Applicable]
(c) Modified Postponement:	[Applicable]/[Not Applicable]
(xi) Jurisdictional Event:	[Applicable]/[Not Applicable]
(xii) Jurisdictional Event Jurisdiction(s):	[•]/[Not Applicable]
(xiii) Share Substitution:	[Applicable]/[Not Applicable]
(xiv) Additional Disruption Events:	
(a) Change in Law:	[Applicable]/[Not Applicable]
(b) FX Disruption:	[Applicable]/[Not Applicable]
(c) Insolvency Filing:	[Applicable]/[Not Applicable]
(d) Hedging Disruption:	[Applicable]/[Not Applicable]
(e) Increased Cost of Hedging:	[Applicable]/[Not Applicable]
(f) Loss of Stock Borrow:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the following sub-paragraph of this paragraph)</i>
- Maximum Stock Loan Rate:	[•]
(g) Increased Cost of Stock Borrow:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the following sub-paragraph of this paragraph)</i>
- Initial Stock Loan Rate:	[•] <i>(Default position for Loss of Stock Borrow/Increased Cost of Stock Borrow is Not Applicable)</i>
(xv) Exchange Rate:	[•]/[Not Applicable]
(xvi) Observation Date(s):	[•]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraph of this paragraph)</i>
- Observation Date subject to Averaging Date or Valuation Date adjustment:	[[Averaging Date]/[Valuation Date] adjustment applicable in respect of [•],[•]and [•]]/[Not Applicable]
(xvii) Observation Period:	[•]/[Not Applicable]
(xviii) Averaging Date:	<i>(in respect of a single Share)</i> [•]

(in respect of a Share Basket) [•], subject to [Affected Postponement Only] [Whole Basket Postponement] [Not Applicable]

(xix) Valuation Date(s): (in respect of a single Share) [•]
(in respect of a Share Basket) [•], subject to [Affected Postponement Only] [Whole Basket Postponement] [Not Applicable]

(xx) Valuation Time: [•] / [As determined in accordance with the Conditions] / [Not Applicable]

(Repeat (i) to (xx) as necessary where there is more than one Share)

(xxi) Physical Settlement or Cash Settlement [Physical Settlement] / [Cash Settlement]
(If Cash Settlement applicable, delete the remaining subparagraphs of this paragraph)

(a) Delivery of Worst Performing Share or Share Basket: [Delivery of Worst Performing Share] / [Delivery of Share Basket]

(b) Share Amount: [As per the Asset Terms and Conditions for Equity-linked Securities]/ [•] *(Specify separately for each Share)*

(c) Reference Currency: [•]

(d) Ratio: [As per the Asset Terms and Conditions for Equity-linked Securities]/ [•] *(Specify separately for each Share)*/ [Not Applicable]

(e) Strike Price: [[•] *(Specify separately for each Share)*]

(f) Final Share Price: [In respect of a single Share [in the Share Basket], the price of such Share quoted on the relevant Exchange at the Valuation Time on the Valuation Date]

[In respect of a single Share [in the Share Basket], the arithmetic mean of the prices of such Share quoted on the relevant Exchange at the Valuation Time on each Averaging Date]

[In respect of a Share Basket, the sum of the price of each single Share in the Share Basket quoted on the relevant Exchange at the Valuation Time on the Valuation Date multiplied by the relevant Weighting]

[In respect of a Share Basket, the sum of the arithmetic mean of the prices of each single Share quoted on the relevant Exchange at the Valuation Time on each Averaging Date multiplied by the relevant Weighting]

(g) Fractional Share Amount: [As per the Asset Terms and Conditions for Equity-linked Securities]/ [•] *(Specify separately for each Share)*

(h) Fractional Cash Amount: [As per the Asset Terms and Conditions for Equity-linked Securities]/ [•] *(Specify separately for each Share)*

	(i) Share Delivery Date:	[As per the Asset Terms and Conditions for Equity-linked Securities]/ [•] (<i>Specify separately for each Share</i>)
	(j) Presentation Date Notice Period:	[•] Business Days prior to the Presentation Date
	(k) Cash Settlement Option:	[Applicable]/[Not Applicable]
	(l) Delivery Agent:	[•]
28	Equity Index-linked Securities:	[Applicable]/[Not Applicable][The Asset Terms and Conditions for Equity Index-Linked Securities shall apply] <i>(If not applicable, delete the following sub-paragraphs of this paragraph)</i>
	Single Index or Index Basket:	[Single Index]/[Index Basket]
	(i) Index:	[•] (<i>Specify name of Index</i>)
	(ii) Type of Index:	[Single-Exchange Index]/[Multi-Exchange Index]
	(iii) Bloomberg code(s):	[•]
	(iv) Information source:	[•]
	(v) Required Exchanges:	[•]/[Not Applicable]
	(vi) Related Exchange:	[•]/[All Exchanges]
	(vii) Disruption Threshold:	[20]/ [•] per cent.
	(viii) Consequences of Disrupted Days - Adjustment basis for Securities relating to a single Index Basket and Valuation Dates:	[Not Applicable]/ [Index Basket and Valuation Date(s) - [Affected Postponement Only]/[Whole Basket Postponement]]
	(ix) Consequences of Disrupted Days - Adjustment basis for Securities relating to a [Single Index]/[Index Basket] and Averaging Dates:	[Not Applicable]/ [Index Basket and Averaging Dates - [Affected Postponement Only] / [Whole Basket Postponement] <i>(If not applicable, delete the following sub-paragraphs of this paragraph)</i>
	(a) Omission:	[Applicable]/[Not Applicable]
	(b) Postponement:	[Applicable]/[Not Applicable]
	(c) Modified Postponement:	[Applicable]/[Not Applicable]
	(xi) Jurisdictional Event:	[Applicable]/[Not Applicable]
	(xii) Jurisdictional Event Jurisdiction(s):	[•]

	(xiii) Additional Disruption Events:	
	(a) Change in Law:	[Applicable]/[Not Applicable]
	(b) FX Disruption:	[Applicable]/[Not Applicable]
	(c) Hedging Disruption:	[Applicable]/[Not Applicable]
	(d) Increased Cost of Hedging:	[Applicable]/[Not Applicable]
	(xiv) Observation Date(s):	[•]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraph of this paragraph)</i>
	- Observation Date subject to Averaging Date or Valuation Date adjustment:	[[Averaging Date]/[Valuation Date] adjustment applicable in respect of [•],[•]and [•]]/[Not Applicable]
	(xv) Averaging Dates:	<i>(in respect of a single Index)</i> [•] <i>(in respect of an Index Basket)</i> [•], subject to [Affected Postponement Only] [Whole Basket Postponement] [Not Applicable]
	(xvi) Valuation Date(s):	<i>(in respect of a single Index)</i> [•] <i>(in respect of an Index Basket)</i> [•], subject to [Affected Postponement Only] [Whole Basket Postponement] [Not Applicable]
	(xvii) Valuation Time:	[•]/[As determined in accordance with the Conditions]/[Not Applicable]
	<i>(Repeat (i) to (xvii) as necessary where there is more than one Equity Index)</i>	
29	Credit Securities:	[Applicable]/[Not Applicable]/[The Asset Terms and Conditions for Credit Securities shall apply] <i>(If not applicable, delete the following sub-paragraphs of this paragraph)</i>
	(i) Type of Credit Securities:	[Single Reference Entity Credit Securities] [Nth-to-Default Credit Securities] N: [1 st /2 nd /3 rd etc.] Substitution: [Not Applicable]/[Applicable] [Linear Basket Credit Securities] [Other]
	Zero Recovery:	[Not Applicable]/[Applicable]
	(ii) Transaction Type:	[•]/[For bespoke CLN: Not Applicable.]

[If the Transaction Type is specified, to trigger the Physical Settlement Matrix:

As per Condition 2(a) of the Asset Terms and Conditions for Credit Securities, the provisions of the Asset Terms and Conditions for Credit Securities shall apply with respect to the Reference Entity in accordance with the Physical Settlement Matrix as it applies to the above Transaction Type, as though such Physical Settlement Matrix were set out in full in the Final Terms. For the avoidance of doubt, the Obligation Category, Obligation Characteristics, Deliverable Obligation Category and Deliverable Obligation Characteristics (among others) shall have the meanings ascribed to them in the Physical Settlement Matrix applicable to the above Transaction Type.]

[If the Transaction Type is specified but the terms of the Physical Settlement Matrix will be modified:

Notwithstanding anything to the contrary of the Physical Settlement Matrix, the following terms set out in the Physical Settlement Matrix applicable to the above Transaction Type shall be amended, supplemented and/or modified as follows for the purpose of the Securities:

[insert details of modification, e.g:

[In respect of the Deliverable Obligation Characteristics, [•] shall not be applicable]

[In respect of the Obligation Characteristics, [•] shall not be applicable]]

(iv) Reference Entity(ies) [•]

(v) Reference Entity [•]/[As per the Asset Terms and Conditions for Credit Securities]
Notional Amount:

(vi) Reference Obligation(s):

The obligations identified as follows: [Not Specified]/[Applicable]

Primary Obligor: [•]

Guarantor: [•]

Maturity: [•]

Coupon: [•]

CUSIP/ISIN: [•]

Original Issue Amount: [•]

[The obligation specified as the Reference Obligation above shall be the Original Non-Standard Reference Obligation notwithstanding that such obligation is not an obligation of the Reference Entity, and notwithstanding any contrary provision of the definition of "Original Non-Standard Reference Obligation" (and, for the avoidance of doubt, paragraph (a) of the definition

	thereof applies).]/[Delete if not applicable or if Reference Obligation above is an obligation of the Reference Entity]
Standard Reference Obligation:	[Not Applicable]/[Applicable]
(vii) Settlement Method:	[Auction Settlement]/[Cash Settlement]/[Physical Settlement] [Unwind Costs: [Not Applicable]/[Standard Unwind Costs]/[insert amount]] <i>[For Cash Settlement only, if different from the Asset Terms and Conditions for Credit Securities:</i> Cash Settlement Date: [•] Business Days immediately following the determination of the Weighted Average Final Price Credit Event Cash Settlement Amount: [•] Minimum Quotation Amount: [•]
(viii) Fallback Settlement Method:	[Cash Settlement]/[Physical Settlement]
(ix) Settlement Deferral:	[Applicable]/[Not Applicable]
(x) Merger Event:	[Condition 3(c) of the Asset Terms and Conditions for Credit Securities [Applicable/Not Applicable]] <i>(If Applicable):</i> [Merger Event Redemption Date: [•]/[The date as selected by the Issuer in its sole and absolute discretion]]
(xi) LPN Reference Entities:	[Not Applicable]/[Applicable]
(xii) Terms relating to Cash Settlement:	[As per the Asset Terms and Conditions for Credit Securities]/[Not Applicable]/[Specify variations or additions to the Asset Terms and Conditions for Credit Securities]
(xiii) Terms relating to Physical Settlement:	[As per the Asset Terms and Conditions for Credit Securities]/[Not Applicable]/[Specify variations or additions to the Asset Terms and Conditions for Credit Securities]
(xiv) Accrual of Interest upon Credit Event:	[As per Condition 4(a)(a)(i) of the Asset Terms and Conditions for Credit Securities]/[As per Condition 4(a)(a)(ii) of the Asset Terms and Conditions for Credit Securities]/[As per Condition 4(a)(b) of the Asset Terms and Conditions for Credit Securities]
(xv) Interest following scheduled maturity:	[As per the Asset Terms and Conditions for Credit Securities / [•]]
(xvi) Additional Disruption Events:	[As per the Asset Terms and Conditions for Credit Securities]/[The following Additional Disruption Events do not apply to the Securities:] <i>(Specify each of the following which does not apply.)</i> [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
(xvii) Additional Provisions:	[•]

	[Change in Standard Terms and Market Conventions: [Not Applicable]]/[Delete if Change in Standard Terms and Market Conventions applies]]
	[In respect of [the Reference Entity]]/[specify relevant Reference Entity], [Include Accrued Interest]/[Exclude Accrued Interest] applicable] [In respect of [the Reference Entity]]/[specify relevant Reference Entity], Trigger Percentage: [•]/[As per the Asset Terms and Conditions for Credit Securities]] [Delete if CoCo Supplement is not applicable]
(xviii) Credit Event Backstop Date:	[The date that is 60 calendar days prior to the Trade Date]/[Issue Date]/[Other]
(xix) Calculation and Settlement Suspension:	[Applicable]/[Not Applicable]
(xx) Seniority Level:	[Senior Level]/[Subordinated Level]/[•]
(xxi) All Guarantees:	[Applicable]/[Not Applicable]
(xxii) Other terms or special conditions:	[Not Applicable]/[For bespoke CLN: The following special conditions shall apply to the Securities. For the avoidance of doubt, in the event of any inconsistency between the special conditions and the Asset Terms and Conditions for Credit Securities, the special conditions will prevail.]
Credit Events:	[Bankruptcy] [Failure to Pay] [Grace Period Extension: [Applicable/ Not Applicable]] [Grace Period: [•] (specify if not the fallback definition in the Asset Terms and Conditions for Credit Securities)] [Obligation Acceleration] [Obligation Default] [Repudiation/Moratorium] [Restructuring] [Governmental Intervention] [Additional Credit Event: [•]]
	[Notice Delivery Period: [•] Credit Security Business Days after the Extension Date (specify if different from Asset Terms and Conditions for Credit Securities)]
- Default Requirement:	[As specified in the Asset Terms and Conditions for Credit Securities] [•] (specify if not the fallback definition in the Asset Terms and Conditions for Credit Securities)
- Payment Requirement:	[As specified in the Asset Terms and Conditions for Credit Securities]

[•] (specify if not the fallback definition in the Asset Terms and Conditions for Credit Securities)

Notice of Publicly Available Information:

[Applicable]/[Not Applicable]

[If Applicable:

Public Source(s): [•]

(specify if other than in the definition in Condition 1 of the Asset Terms and Conditions for Credit Securities)

Specified Number: [•]

(If none specified, then it is deemed to be two)]

Obligation(s):

- Obligation Category:
(select one only)

[Payment]

[Borrowed Money]

[Reference Obligations Only]

[Bond]

[Loan]

[Bond or Loan]

- Obligation Characteristics:
(select all of which apply)

[Not Subordinated]

[Specified Currency: [Standard Specified Currency]/[Other (specify)]

[Not Sovereign Lender]

[Not Domestic Currency:]

[Domestic Currency means: [•] (specify currency if different from the Asset Terms and Conditions for Credit Securities)]

[Not Domestic Law]

[Listed]

[Not Domestic Issuance]

- Excluded Obligation(s):

[None]/[Other (specify)]

Deliverable Obligations:

- Deliverable Obligation Category: (select one only)

[Payment]

[Borrowed Money]

[Reference Obligations Only]

[Bond]

[Loan]

		[Bond or Loan]
	- Deliverable Obligation Characteristics: <i>(select all of which apply)</i>	[Not Subordinated] [Specified Currency: [Standard Specified Currency]/[Other (specify)] [Not Sovereign Lender] [Not Domestic Currency:] [Domestic Currency means: [•] (specify currency if different from the Asset Terms and Conditions for Credit Securities)] [Not Domestic Law] [Listed] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Transferable] [Maximum Maturity: [30] years] [Accelerated or Matured] [Not Bearer]
	- Excluded Deliverable Obligations:	[•] [None]]
30	Fund-linked Securities:	Applicable
	Single Fund or Fund Unit Basket:	[Single Fund]/[Fund Unit Basket]
	(i) Fund Unit:	[•]
	(ii) Fund:	[•]
	(iii) Bloomberg Code:	[•]
	(iv) Fund Currency:	[•]
	(v) Fund Business Day:	[•]/[As determined in accordance with the Fund-linked Securities Asset Terms]
	(vi) Dealing Day:	[•]/[As determined in accordance with the Fund-linked Securities Asset Terms]
	(viii) Maximum Days of Disruption:	[•]
	(x) Minimum Fund Size:	[•]
	(xi) Fund NAV Threshold (Percentage):	[•]
	(xii) Fund NAV Threshold (Value):	[•]
	(xiii) Fund Manager NAV Threshold:	[•]
	(xiv) Hypothetical Investor Jurisdiction:	[•]

(Repeat (i) to (xiv) as necessary where there is more than one Fund)

GENERAL PROVISIONS

31	(i) Form of Securities:	Registered Securities
	(ii) Global Certificate:	[Applicable]/[Not Applicable] <i>(If Securities are issued in definitive form, this paragraph (ii) should be "Not Applicable")</i>
32	Financial Centre(s):	[Not Applicable]/[*] <i>(Specify financial centre)</i> <i>(N.B. This item relates to the place of payment, and not Interest Payment Dates)</i>
33	Listing and Admission to Trading:	[Not Applicable]/[The Securities [are]/[will be] listed on [the Exchange] / <i>[insert name of any other exchange].</i>]
34	Ratings:	[The Securities will not be rated.]
35	Security Codes and Ticker Symbols:	
	- ISIN:	[*]/[Not Applicable]
	- Common Code:	[*]/[Not Applicable]
	- CMU Instrument Number:	[*]/[Not Applicable]
	Clearing and Trading:	
	- Delivery:	Delivery [against]/[free of] payment
36	Agents:	
	Fiscal Agent:	[CSI Capital Management Limited 26th Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong]/ Citicorp International Limited 20/F, Citi Tower, On Bay East 83 Hoi Bun Road, Kwun Tong Kowloon Hong Kong
	Calculation Agent:	[CSI Capital Management Limited]
	Clearing Agent:	[Euroclear and Clearstream, Luxembourg / CMU Service / <i>other</i>]/[Not Applicable]
	Issuing and Paying Agent:	[CSI Capital Management Limited / Citibank, N.A., London Branch]/[Not Applicable]
	CMU Lodging and Paying Agent:	[Citicorp International Limited]/[Not Applicable]
	Additional Agents:	[Applicable]/[Not Applicable]
	Transfer Agent and Registrar:	[CSI Capital Management Limited / Citicorp International Limited / Citibank, N.A., London Branch]

- 37 Dealer(s): [•]/[Not Applicable]
- 38 Relevant Benchmark[s]: [[[specify benchmark] is provided by [administrator legal name]]. As at the date hereof, [[administrator legal name][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation]/[Not Applicable]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Final Terms.

Signed on behalf of the Issuer:

By: _____
Duly authorised

APPENDIX 2 – TEXT OF THE SECURITIES GUARANTEE

The text of the Securities Guarantee is set out below.

“THIS AMENDED AND RESTATED DEED OF GUARANTEE (the **“Deed”**) is made on [●] by CITIC Securities International Company Limited (中信証券國際有限公司) (the **“Securities Guarantor”**), in favour of the Relevant Account Holders (as defined in the Amended and Restated Deed of Covenant referred to below) of each Guaranteed Series and the holders for the time being of the Securities (as defined below) of each Guaranteed Series. Each Relevant Account Holder and each holder of a Security is referred to herein as a **“Guaranteed Holder”**.

WHEREAS:

- (A) CSI Financial Products Limited (the **“Issuer”**) and the Securities Guarantor, inter alia, have entered into an Amended and Restated Agency Agreement dated on or about 22 December 2021 (the **“Amended and Restated Agency Agreement”**), which expression includes the same as it may be amended, supplemented or restated from time to time) under which the Issuer may from time to time issue securities (the **“Securities”**) pursuant to its US\$15,000,000,000 Global Securities Programme (the **“Programme”**), as such limit may be increased from time to time pursuant to a Dealer Agreement relating to the Programme dated on or about 22 December 2021 between the Issuer, the Securities Guarantor and the dealers named in it (the **“Amended and Restated Dealer Agreement”**), which expression includes the same as it may be amended, supplemented or restated from time to time). The Final Terms (as defined in the Amended and Restated Agency Agreement) issued in respect of a series of Securities will specify whether this Deed applies to that series (each series to which this Deed applies is a **“Guaranteed Series”**).
- (B) The Issuer has executed an Amended and Restated Deed of Covenant dated 22 December 2021 (the **“Amended and Restated Deed of Covenant”**), which expression includes the same as it may be amended, supplemented or restated from time to time) relating to Securities issued by the Issuer.
- (C) In relation to the Guaranteed Series issued before the date of this Deed, the Securities Guarantor entered into a Deed of Guarantee dated 28 July 2014 as amended and restated on 25 November 2015 (the **“Original Deed of Guarantee”**).
- (D) This Deed amends and restates the Original Deed of Guarantee. For the avoidance of doubt, this Deed shall only apply to the Securities of a Guaranteed Series issued on or after the date of this Deed.
- (E) Terms defined in the terms and conditions of the Securities of a Guaranteed Series (the **“Conditions”**) and not otherwise defined in this Deed shall have the same meaning when used in this Deed.

NOW THIS DEED WITNESSES as follows:

1. The Securities Guarantor irrevocably and unconditionally guarantees by way of deed poll to each Guaranteed Holder that, if for any reason, the Issuer does not pay any sum payable by it to such Guaranteed Holder in respect of any Securities of a Guaranteed Series or, in the event that any assets or rights fall to be delivered under the Conditions, fails to pay and deliver such assets or rights in accordance with the Conditions (including any premium or any other amounts of whatever nature or additional amounts which may become payable under any of the foregoing), as and when the same shall become due under the Conditions of the relevant Guaranteed Series, the Securities Guarantor will within 10 (ten) Business Days after receipt of written notice pay to such Guaranteed Holder the amount payable but not paid by the Issuer to such Guaranteed Holder, or deliver any assets or rights required to be delivered but not delivered in accordance with the Conditions by the Issuer to such Guaranteed Holder. This Deed does not apply to the Securities of any series unless the relevant Final Terms specifies this Deed applies to that series.
2. Without affecting the Issuer’s obligations, the Securities Guarantor will be liable under this Deed as if it were the sole principal debtor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal debtor (including (a) any time, indulgence, waiver or consent at any time given to the Issuer or any other

person, (b) any amendment to any Securities of a Guaranteed Series or the Amended and Restated Deed of Covenant or to any security or other guarantee or indemnity, (c) the making or absence of any demand on the Issuer or any other person for payment, (d) the enforcement or absence of enforcement of any Securities of a Guaranteed Series, the Amended and Restated Deed of Covenant or of any security or other guarantee or indemnity, (e) the release of any such security, guarantee or indemnity, (f) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (g) the illegality, invalidity or unenforceability of or any defect in any provision of any Securities of a Guaranteed Series or the Amended and Restated Deed of Covenant or any of the Issuer's obligations under any of them).

3. The Securities Guarantor's obligations under this Deed are and will remain in full force and effect by way of continuing security until no sum remains payable under any Securities of a Guaranteed Series or the Amended and Restated Deed of Covenant. Furthermore, these obligations of the Securities Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of a Guaranteed Holder, whether from the Securities Guarantor or otherwise. The Securities Guarantor irrevocably waives all notices and demands whatsoever, except as provided herein.
4. If the payment received by a Guaranteed Holder is, on the subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of the Securities Guarantor and this Deed will continue to apply as if such payment had at all times remained owing by the Issuer.
5. As a separate and alternative stipulation, the Securities Guarantor unconditionally and irrevocably agrees that any sum expressed to be payable by the Issuer under any Securities of a Guaranteed Series but which is for any reason (whether or not now known or becoming known to the Issuer, the Securities Guarantor or any Guaranteed Holder) not recoverable from the Securities Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Guaranteed Holder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Deed, gives rise to a separate and independent cause of action and will apply irrespective of any indulgence granted by any Guaranteed Holder.
6. The obligation of the Securities Guarantor under this Deed constitutes a direct, unconditional, unsecured and general obligation of the Securities Guarantor and ranks and will rank equally with all its other existing and future unsecured obligations including those in respect of deposits but excluding any debts for the time being preferred by law and any subordinated obligations.
7. The Securities Guarantor hereby warrants, represents and covenants with each Guaranteed Holder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Deed, and that this Deed constitutes a legal, valid and binding obligation to the Securities Guarantor in accordance with its terms.
8. This Deed shall take effect as a deed poll for the benefit of the Guaranteed Holders from time to time for the time being. An original copy of this Deed shall be deposited with and held by the Fiscal Agent, for the benefit of the Guaranteed Holders until all the obligations of the Securities Guarantor have been discharged in full.
9. The Securities Guarantor hereby acknowledges the right of every Guaranteed Holder to the production of, and the right of every Guaranteed Holder to obtain (upon payment of a reasonable charge) a copy of, this Deed, and further acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the account of, each and every Guaranteed Holder, and that each Guaranteed Holder shall be entitled severally to enforce the said obligations against the Securities Guarantor.
10. Until all amounts which may be payable and due under the Securities of a Guaranteed Series have been irrevocably paid in full, the Securities Guarantor shall not by virtue of this Deed be subrogated to any rights of any Guaranteed Holder or claim in competition with the Guaranteed Holders against the Issuer.
11. This Deed is governed by, and shall be construed in accordance with, Hong Kong law. The Securities Guarantor agrees that the courts of Hong Kong are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed and accordingly any legal action or proceedings

(together referred to as the “**Proceedings**”) arising out of or in connection with this Deed may be brought in such courts. Nothing contained in this Clause shall limit any right to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any court of competent jurisdiction preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

IN WITNESS whereof the Securities Guarantor has caused this Deed to be duly executed on the date stated at the beginning.”

APPENDIX 3 – USD BENCHMARK TRANSITION EVENT PROVISIONS

The provisions in this Appendix 3 shall apply in the circumstances specified in General Condition 4(c)(iv).

1.1 USD Benchmark Transition Event

Notwithstanding any other provision to the contrary in the General Conditions, if the Calculation Agent determines that, on or prior to the Reference Time in respect of any determination of the relevant USD LIBOR rate on any date for the purposes of determination of the Rate of Interest, a USD Benchmark Transition Event and its related USD Benchmark Replacement Date (each, as defined below) have occurred with respect to the USD Benchmark, then (subject as provided in paragraph 1.3 below) the provisions set forth in paragraph 1.2 (the “**USD Benchmark Transition Provisions**”) will apply.

1.2 Effect of USD Benchmark Transition Event

USD Benchmark Replacement: If the Calculation Agent determines that a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the USD Benchmark on any date, then, subject as provided in paragraph 1.3 below, the USD Benchmark Replacement will replace the then-current USD Benchmark for all purposes relating to the Securities in respect of such determination on such date and all determinations on all subsequent dates (including without limitation, the determination of any interest rate or amount payable or deliverable in respect of the Securities determined by reference to the then current USD Benchmark).

USD Benchmark Replacement Conforming Changes: In connection with the implementation of a USD Benchmark Replacement, the Calculation Agent will have the right to make USD Benchmark Replacement Conforming Changes from time to time.

Decisions and Determinations: Notwithstanding anything to the contrary in the General Conditions, any determination, decision or election that may be made by the Calculation Agent pursuant to the USD Benchmark Transition Provisions described herein, including, without limitation, any determination with respect to 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, will be conclusive and binding absent manifest error, will be made in the sole discretion of the Calculation Agent, and, notwithstanding anything to the contrary in the Conditions, shall become effective without consent from the holders of the Securities or any other party.

Notification of holders of the Securities: Following any such determination, decision or election, the Calculation Agent shall notify the Issuer of any determination made by it in accordance with the above and the action that it proposes to take in respect of any such determination, decision or election. The Issuer shall notify the holders of the Securities thereof as soon as reasonably practicable thereafter in accordance with General Condition 13 (*Notices*). Failure by the Calculation Agent to notify the Issuer or failure by the Issuer to notify the holders of the Securities of any such determination will not affect the validity of any such determination.

1.3 Interim Adjustments

If, following a USD Benchmark Transition Event but prior to any replacement or adjustments having occurred pursuant to paragraph 1.2 above, a USD Benchmark is required for any determination in respect of the Securities and, at the time of the relevant determination, a USD

Benchmark Replacement has not been determined and relevant USD Benchmark Replacement Conforming Changes have not been made in accordance with paragraph 1.2 above and:

- (a) if such USD Benchmark is still available, and it is still permitted under applicable law or regulation for the Securities to reference such USD Benchmark and for the Issuer and/or the Calculation Agent to use such USD Benchmark to perform its or their respective obligations under the Securities, such USD Benchmark shall be determined pursuant to the terms that would apply to the determination of such USD Benchmark as if no USD Benchmark Transition Event had occurred; or
- (b) if such USD Benchmark is no longer available or it is no longer permitted under applicable law or regulation applicable to the Issuer and/or to the Calculation Agent for the Securities to reference such USD Benchmark or for any such entity to use such USD Benchmark to perform its or their respective obligations under the Securities, such USD Benchmark shall be determined by the Calculation Agent in its sole and absolute discretion (notwithstanding anything to the contrary in the General Conditions), after consulting any source it deems to be reasonable, by reference to (a) a substitute or successor rate that it has determined is the industry-accepted (in the derivatives market) substitute or successor rate for USD LIBOR of the relevant tenor or (b) if it determines there is no such industry-accepted (in the derivatives market) substitute or successor rate, a substitute or successor rate that it determines is a commercially reasonable alternative to such USD Benchmark, taking into account prevailing industry standards in any related market (including, without limitation, the derivatives market). If such USD Benchmark is determined by reference to any such substituted or successor rate, the Calculation Agent may make such other amendments to the Securities which it considers are necessary and/or appropriate to reflect the adoption of such substituted or successor rate.

The Calculation Agent shall notify the Issuer of any determination made by it in accordance with the above and the action that it proposes to take in respect of any such determination. The Issuer shall notify the holders of the Securities thereof as soon as reasonably practicable thereafter in accordance with General Condition 13 (*Notices*). Failure by the Calculation Agent to notify the Issuer or failure by the Issuer to notify the holders of the Securities of any such determination will not affect the validity of any such determination.

1.4 Certain Defined Terms

As used in this APPENDIX 3:

“Compounded SOFR” means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the Calculation Agent in accordance with:

- (i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; *provided that*:
- (ii) if, and to the extent that, the Calculation Agent determines that Compounded SOFR cannot be determined in accordance with the previous sub-paragraph then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Calculation Agent giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate securities at such time.

For the avoidance of doubt, the calculation of Compounded SOFR shall exclude the USD Benchmark Replacement Adjustment.

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

“Interpolated Benchmark” with respect to the USD Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the USD Benchmark for the longest period for which the USD Benchmark is available that is shorter than the Corresponding Tenor and (2) the USD Benchmark for the shortest period for which the USD Benchmark is available that is longer than the Corresponding Tenor.

“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 Relevant ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the USD Benchmark for the applicable tenor.

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the Relevant ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the USD Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

“NY Federal Reserve” means the Federal Reserve Bank of New York.

“NY Federal Reserve's Website” means the website of the NY Federal Reserve at <http://www.newyorkfed.org>, or any successor source.

“Reference Time” with respect to any determination of the USD Benchmark means (1) if the USD Benchmark is USD LIBOR, 11:00 a.m. (London time) on the date of such determination, and (2) if the USD Benchmark is not USD LIBOR, the time determined by the Calculation Agent in accordance with the USD Benchmark Replacement Conforming Changes.

“Relevant Governmental Body” means the Federal Reserve Board and/or the NY Federal Reserve, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NY Federal Reserve or any successor thereto.

“Relevant ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the NY Federal Reserve, as the administrator of such rate (or a successor administrator), on the NY Federal Reserve's Website.

“Term SOFR” means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Unadjusted USD Benchmark Replacement” means the USD Benchmark Replacement excluding the USD Benchmark Replacement Adjustment.

"USD Benchmark" means, the USD LIBOR; *provided that* if a USD Benchmark Transition Event and its related USD Benchmark Replacement Date have occurred with respect to such USD LIBOR, then "USD Benchmark" means the applicable USD Benchmark Replacement.

"USD Benchmark Replacement" means the Interpolated Benchmark with respect to the then-current USD Benchmark, plus the USD Benchmark Replacement Adjustment for such USD Benchmark; *provided that*, if the Calculation Agent cannot determine the Interpolated Benchmark as of the USD Benchmark Replacement Date, then "USD Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Calculation Agent as of the USD Benchmark Replacement Date:

- (i) the sum of: (a) Term SOFR and (b) the USD Benchmark Replacement Adjustment;
- (ii) the sum of: (a) Compounded SOFR and (b) the USD Benchmark Replacement Adjustment;
- (iii) 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 USD Benchmark for the applicable Corresponding Tenor and (b) the USD Benchmark Replacement Adjustment;
- (iv) the sum of: (a) the ISDA Fallback Rate and (b) the USD Benchmark Replacement Adjustment;
- (v) the sum of: (a) the alternate rate of interest that has been selected by the Calculation Agent as the replacement for the then-current USD Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current USD Benchmark for U.S. dollar-denominated floating rate securities at such time and (b) the USD Benchmark Replacement Adjustment.

"USD Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Calculation Agent as of the USD 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 USD Benchmark Replacement;
- (ii) if the applicable Unadjusted USD Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Calculation Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current USD Benchmark with the applicable Unadjusted USD Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time.

"USD Benchmark Replacement Conforming Changes" means, with respect to any USD Benchmark Replacement, any technical, administrative or operational changes (including without limitation, changes to the determination dates, timing and frequency of determining rates and making payments, rounding of amounts or tenors, the introduction of any time delay or lag

between the calculation or observation period of a rate and the related payment dates and other administrative matters) that the Calculation Agent decides may be appropriate to reflect the adoption of such USD Benchmark Replacement in a manner substantially consistent with market practice (or, if the Calculation Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent determines that no market practice for use of the USD Benchmark Replacement exists, in such other manner as the Calculation Agent determines is reasonably necessary).

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

- (i) in the case of sub-paragraph (i) or 0 of the definition of "USD 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 USD Benchmark permanently or indefinitely ceases to provide the USD Benchmark; or
- (ii) in the case of sub-paragraph 0 of the definition of "USD Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

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

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

- (i) a public statement or publication of information by or on behalf of the administrator of the USD Benchmark announcing that such administrator has ceased or will cease to provide the USD Benchmark, permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the USD Benchmark;
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the USD Benchmark, the central bank for the currency of the USD Benchmark, an insolvency official with jurisdiction over the administrator for the USD Benchmark, a resolution authority with jurisdiction over the administrator for the USD Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the USD Benchmark, which states that the administrator of the USD Benchmark has ceased or will cease to provide the USD Benchmark permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the USD Benchmark; or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the USD Benchmark announcing that the USD Benchmark is no longer representative.

APPENDIX 4 – GENERAL REFERENCE RATE EVENT PROVISIONS

This APPENDIX 4 shall apply in the circumstances specified in General Condition 4(c)(v).

1.1 Reference Rate Event

Notwithstanding anything to the contrary in the General Conditions, if the Calculation Agent determines that a Reference Rate Event has occurred in respect of a Reference Rate, the Calculation Agent will:

- (a) seek to identify a Replacement Reference Rate in respect of the Reference Rate; and
- (b) if it identifies a Replacement Reference Rate in respect of the Reference Rate:
 - (i) calculate an Adjustment Spread that will be applied to the Replacement Reference Rate; and
 - (ii) determine such other amendments to the Securities which it considers are necessary and/or appropriate in order to account for the effect of the replacement of the Reference Rate with the Replacement Reference Rate (as adjusted by the Adjustment Spread); and
- (c) determine the timing for when the Replacement Reference Rate, Adjustment Spread and such other adjustments will become effective in relation to the relevant Securities,

provided that, if the relevant Reference Rate Event has occurred in respect of limb (i)(A) of the definition of Reference Rate Event (a “**Material Change Trigger Event**”), as an alternative to the procedure described in sub-paragraphs 0, 0 and 0 above, the Calculation Agent may instead: (i) determine that no Replacement Reference Rate or other amendments to the terms of the Securities are required as a result of such material change (such determination being a “**No Material Change Adjustment Determination**”); or (ii) make such adjustment(s) to the terms of the Securities as it determines necessary or appropriate to account for the effect of such material change (the “**Material Change Adjustments**”).

In either such case, the Calculation Agent shall notify the Issuer of any determination made by it in accordance with the above and the action that it proposes to take in respect of any such determination. The Issuer shall notify the holders of the Securities thereof as soon as reasonably practicable thereafter in accordance with General Condition 13 (*Notices*). Failure by the Calculation Agent to notify the Issuer or failure by the Issuer to notify the holders of the Securities of any such determination will not affect the validity of any such determination.

If:

- (a) with respect to a Material Change Trigger Event, the Calculation Agent has not made a No Material Change Adjustment Determination and the Calculation Agent determines that it is not possible or commercially reasonable to determine any Material Change Adjustments; or
- (b) the Calculation Agent determines that it is not possible or commercially reasonable to identify a Replacement Reference Rate; or

- (c) the Calculation Agent determines that it is not possible or commercially reasonable to calculate an Adjustment Spread,

the Issuer may redeem the Securities on a day selected by the Issuer, in which case each Security shall be redeemed by payment of an amount equal to the Early Payment Amount and the Issuer shall notify the holders of the Securities thereof as soon as reasonably practicable in accordance with General Condition 13 (*Notices*).

1.2 Interim Adjustments

If, following a Reference Rate Event but prior to any replacement or amendment having become effective pursuant to paragraph 1.1 above, the relevant Reference Rate is required for any determination in respect of the Securities and at that time, no replacement or amendments have occurred in accordance with paragraph 1.1 and:

- (a) if the Reference Rate is still available, and it is still permitted under applicable law or regulation for the Securities to reference the Reference Rate and for the Issuer and/or the Calculation Agent to use the Reference Rate to perform its or their respective obligations under the Securities, the level of the Reference Rate shall be determined pursuant to the terms that would apply to the determination of the Reference Rate as if no Reference Rate Event had occurred; or
- (b) if the Reference Rate is no longer available or it is no longer permitted under applicable law or regulation applicable to the Issuer and/or to the Calculation Agent for the Securities to reference the Reference Rate or for any such entity to use the Reference Rate to perform its or their respective obligations under the Securities, the level of the Reference Rate shall be determined by the Calculation Agent in its sole and absolute discretion (notwithstanding anything to the contrary in the General Conditions), after consulting any source it deems to be reasonable, by reference to (a) a substitute or successor rate that it has determined is the industry-accepted (in the derivatives market) substitute or successor rate for the relevant Reference Rate or (b) if it determines there is no such industry-accepted (in the derivatives market) substitute or successor rate, a substitute or successor rate that it determines is a commercially reasonable alternative to the Reference Rate, taking into account prevailing industry standards in any related market (including, without limitation, the derivatives market). If such Reference Rate is determined by reference to any such substituted or successor rate, the Calculation Agent may determine such other amendments to the Securities which it considers are necessary and/or appropriate in order to reflect the replacement of the Reference Rate with such substituted or successor rate.
- (c) the Calculation Agent shall notify the Issuer of any determination made by it in accordance with the above and the action that it proposes to take in respect of any such determination. The Issuer shall notify the holders of the Securities thereof as soon as reasonably practicable thereafter in accordance with General Condition 13 (*Notices*). Failure by the Calculation Agent to notify the Issuer or failure by the Issuer to notify the holders of the Securities of any such determination will not affect the validity of any such determination.

1.3 Certain Defined Terms

For the purposes of the above:

“Adjustment Spread” means the adjustment, if any, to a Replacement Reference Rate that the Calculation Agent determines is required in order to reduce any transfer of economic value from

(i) the Issuer to the holders of the Securities or (ii) the holders of the Securities to the Issuer, in each case that would otherwise arise as a result of the replacement of the Reference Rate with the Replacement Reference Rate. Any such adjustment may take account of, without limitation, any anticipated transfer of economic value as a result of any difference in the term structure or tenor of the Replacement Reference Rate by comparison to the Reference Rate. The Adjustment Spread may be positive, negative or zero and/or determined pursuant to a formula or methodology.

“Corresponding Tenor” with respect to a Replacement Reference Rate means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Reference Rate.

“Interpolated Reference Rate” with respect to the Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Reference Rate for the longest period for which the Reference Rate is available that is shorter than the Corresponding Tenor and (2) the Reference Rate for the shortest period for which the Reference Rate is available that is longer than the Corresponding Tenor.

“Pre-nominated Replacement Reference Rate” means, in respect of the relevant Reference Rate, the first of the indices, benchmarks or other price sources specified in the applicable Final Terms that is not subject to a Reference Rate Event.

“Reference Rate Event” means:

- (i) the Calculation Agent determines that (A) a material change in the relevant Reference Rate has occurred or is likely to occur, or (B) the permanent or indefinite cancellation or cessation in the provision of such Reference Rate has occurred or is likely to occur, or (C) a regulator or other official sector entity has prohibited or is likely to prohibit the use of such Reference Rate;
- (ii) any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the relevant Reference Rate or the administrator or sponsor of the relevant Reference Rate has not been, or will not be, obtained or has been, or is likely to 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 Reference Rate to perform its or their respective obligations under the Securities;
- (iii) it is not commercially reasonable to continue the use of the relevant Reference Rate in connection with the Securities as a result of any applicable licensing restrictions or changes in the cost of obtaining or maintaining any relevant licence (including, without limitation, where the Issuer, the Calculation Agent or any other entity is required to hold a valid licence in order to issue or perform its obligations in respect of the Securities and for any reason such licence is either not obtained, not renewed or is revoked or there is a material change in the cost of obtaining or renewing such licence); or
- (iv) there has been a formal public statement or publication of information by the supervisor of the administrator or sponsor of the relevant Reference Rate, the central bank for the currency of the Reference Rate or another official body with applicable responsibility announcing that such Reference Rate is no longer representative, or as of a specified future date will no longer be capable of being representative, of any relevant underlying market(s) or economic reality that such Reference Rate is intended to measure.

“Relevant Nominating Body” means, in respect of a Reference Rate: (i) the central bank for the currency in which the Reference Rate is denominated or any central bank or other supervisor which is responsible for supervising either the Reference Rate or the administrator of the Reference Rate; or (ii) any working group or committee officially endorsed or convened by (a) the central bank for the currency in which the Reference Rate is denominated, (b) any central bank or other supervisor which is responsible for supervising either the Reference Rate or the administrator of the Reference Rate, (c) a group of those central banks or other supervisors, or (d) the Financial Stability Board or any part thereof.

“Replacement Reference Rate” means, in respect of a Reference Rate, an index, benchmark or other price source that the Calculation Agent determines to be a commercially reasonable alternative for such Reference Rate, *provided that* the Replacement Reference Rate must be:

- (i) the Interpolated Reference Rate with respect to the then-current Reference Rate; or
- (ii) if it is not possible or commercially reasonable for the Calculation Agent to determine such Interpolated Reference Rate, a Pre-nominated Replacement Reference Rate; or
- (iii) if there is no Pre-nominated Replacement Reference Rate, an index, benchmark or other price source (which may be formally designated, nominated or recommended by (a) any Relevant Nominating Body or (b) the administrator or sponsor of the Reference Rate (*provided that* such index, benchmark or other price source is substantially the same as the Reference Rate) to replace the Reference Rate) which is recognised or acknowledged as being the industry standard replacement for over-the-counter derivative transactions which reference such Reference Rate (which recognition or acknowledgment may be in the form of a press release, a member announcement, member advice, letter, protocol, publication of standard terms or otherwise by ISDA).

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